

Hospital Networks Management, Inc.
P.O. Box 1945
Manchaca, TX 78652-1945

Via Electronic and FedEx Mail

April 9, 2009

Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A320 Washington, DC 20554

Re: Administrator's Decision on Rural Health Care Program Appeal, dated February 10, 2009
FCC Docket Number: 02-60

Dear Secretary:

This is an appeal of USAC Administrator's Decision on Rural Health Care Program Appeal, dated February 10, 2009. The appeal is attached to this letter and if there are any questions related to this appeal I maybe contacted directly by phone at 512-452-0007 or 512-560-0466 (cell) or e-mail at rzunke@thnetwork.net.

I would ask that this appeal be handled in an expeditious manner. This investigation began in June of 2007 and has caused a financial hardship on all of the HCPs involved. Hospital Networks Management (HNM) has responded to all information requests and appeal filings in a timely manner, but the same can not be said of USAC. The last two appeals that were filed by Hospital Networks Management on February 8, 2008 (of USAC's December 10, 2007 decision) and April 1, 2008 (of USAC's February 1, 2008 decision) were not responded to until USAC's appeal decision of February 10, 2009 (even though the Rural Health Care Program's website states that appeals will be responded to by USAC within 45 days). Based on the double standard for timely responses, I believe it would be fair to request that the FCC grant the HNM appeal and overturn the original USAC decisions on USAC's failure to respond within 45 days.

The USAC Administrator's Decision on Rural Health Care Program Appeal, dated February 10, 2009 states; "USAC finds that HNM violated the Federal Communications Commission's (FCC or Commission) competitive bidding requirements in Funding Years 2001 through 2006." Based on the facts (presented throughout the investigation), HNM strongly believes that it never had any intent of violating or ever violated the FCC's competitive bidding requirements for the Rural Health Care Program and therefore the original USAC decisions should be overturned.

I appreciate your attention to this matter and look forward to a timely resolution.

Respectfully submitted,



Randall W. Zunke
President
Hospital Networks Management, Inc.

cc: USAC via e-mail

The following is Hospital Networks Management, Inc. (HNM) appeal of the Administrator's (USAC) Decision on Rural Health Care Program Appeal dated February 10, 2009 [*Attachment A – copy of the February 10, 2009 decision*] to the FCC. The appeal below addresses the four points in the USAC decision of February 10, 2009.

A. Funding Years 2001 and 2002

The Administrator's Decision on Rural Health Care Program Appeal dated February 10, 2009 granted this portion of the appeal..

B. Evergreen Status

In the USAC appeal response (dated February 10, 2009) USAC agrees that the MCI master contract "included the necessary elements to obtain evergreen status". The MCI contract under discussion was signed on May 20, 2005 with an expiration date of June 30, 2008. [*Attachment B – copy of MCI contract signature page*] The contract was put in place for Funding Year 2005 and to our knowledge there were no competitive bids received, therefore the contract was established in compliance with the FCC competitive bidding rules and regulations. Additionally when a HCP was contacted for funding year 2006 and replied that they were under contract this was an accurate response. [*Attachment C – Bellville FY2005 Funding Commitment Letter and Bellville e-mail stating they were under contract*] The USAC appeal response statement: "Nonetheless, even with "evergreen" status, the HCPs were not exempt from competitive bidding." This is not correct because the contract was "evergreen" the HCPs were exempt from competitive bidding until June 30, 2008 the termination date of the MCI contract.

This leads to the Qwest master contract that replaced the MCI master contract and the USAC appeal response statement: "Thus, as discussed more fully below the retroactive designation of the contracts as 'evergreen' is immaterial because the competitive bidding rules were violated when new services were obtained outside the existing contract period." Respectfully HNM disagrees with this statement because: 1) it is relevant that the MCI contract is "evergreen"; 2) the competitive bidding rules were not violated when the MCI contract was signed in May 2005; and 3) the contract with Qwest to replace the remaining term of the MCI contract was done in accordance with the FCC rules and regulations.

C. Funding Year 2006

HNM stated from the beginning of the investigation that the contract with MCI was terminated early due to non-performance by MCI and replaced with a contract with Qwest for the remainder of the original MCI contract term. [*Attachment D – HNM letter on changing contract from MCI to Qwest with cost analysis*] Again HNM believes that this action did not violate the FCC competitive bidding rules because this was to replace a non-performing service provider (MCI) with a new service provider (Qwest) during an "evergreen" contract term. The USAC appeal response statement: "An HCP is permitted to change service providers in the middle of a contract without competitively bidding the contract only when the new contract ends at the same time as the existing contract and the terms of the new contract are for the same or lower price." The Qwest contract replaced the MCI services at the same or lower price which met the first criteria for changing service providers in the middle of a contract. The fact that the Qwest contract needed to end at the same time as the MCI contract would have been pointed out to HNM during the USAC Funding Year 2006 review of the Qwest funding requests and HNM would have complied by competitively bidding the contract at the end of the original "evergreen" contract (MCI

contract) which would have been for Funding Year 2008 (starting July 1, 2008). The requirement to competitively bid the contract for Funding Year 2008 had not been violated with the signing of the Qwest contract; therefore notwithstanding the end date on the Qwest contract HNM did not violate the FCC competitive bidding rule. There is significant effort and expense to change service providers for 50 rural hospitals at any time and the only reason that HNM changed service providers was due to non-performance of the current service provider (MCI) and not to circumvent the FCC competitive bidding rule.

USAC states the following: "Therefore, HNM was required to competitively bid the contract. Because HNM failed to competitively bid the requested services resulting in the contract with Qwest, finds that HNM violated the FCC's competitive bidding rules." Respectfully HNM disagrees with this conclusion because: 1) HNM was not required to competitively bid a change in service providers during an "evergreen" contract term due to non-performance of the original service provider; 2) the Qwest contract met the condition of the same or lower price for the requested services; and 3) notwithstanding the end date on the Qwest contract HNM fully intended to engage in a competitive bidding process at the conclusion of the original "evergreen" contract term (i.e. Funding Year 2008).

D. Conflict of Interest

In the USAC appeal response USAC states "The FCC's rules require a fair and open competitive bidding process. This means the service provider may not have direct involvement in the application process." HNM has stated to USAC throughout the investigation that it is not nor has never been an Internet Service Provider or telecommunication service provider. To support this position HNM has produced a number of documents in support of its position: first, the contract between HNM and the TORCH Alliance which outlines the services to be provided to the Alliance member hospitals; second, the telecommunication contract that HNM entered into with MCI and Qwest on behalf of the Alliance member hospitals which do not designate HNM as a telecommunications reseller; and third, HNM has never applied for or had a SPIN (Service Provider Identification Number) in the USF program. *[Attachment E – Network Services Agreement between HNM and Community Hospital Foundation of Texas, MCI contract, and Qwest contract]*

The USAC appeal response goes on to state "The FCC defines resale as 'an activity wherein one entity subscribes to the communications services and facilities of another entity and then reoffers communications service and facilities to the public (with or without 'adding value') for profit.' Respectfully, HNM argues that it entered into the contracts with MCI and Qwest solely on behalf of the Alliance member hospitals and has never offered or contracted those services to the general public. Therefore HNM has not engaged in the resale of telecommunication services provided by MCI and Qwest, which supports HNM's argument that it is not and has never been an Internet Service Provider or telecommunication service provider.

Relative to the payment for the telecommunication services the USAC appeal response states "After reviewing invoices by Verizon and HNM's billings to the HCPs, USAC determined HNM profited from the services provided under the master contract. HNM was not simply passing through the charges from the underlying carrier." The problem with the USAC analysis is that a HNM Internet account (this account was included as part of the master MCI contract, but was not subsidized by USF funding) was included in the analysis but should not have been included in the analysis. In retrospect HNM should have had a separate contract for its Internet Service to provide a clearer accounting view. Removing the HNM account from USAC's analysis shows that in FY2003 HNM actually paid \$40,395.62 to Verizon in addition to the HCP charges to balance the HCP accounts, in FY2004 HNM again paid \$6,513.50 to Verizon in addition to the HCP

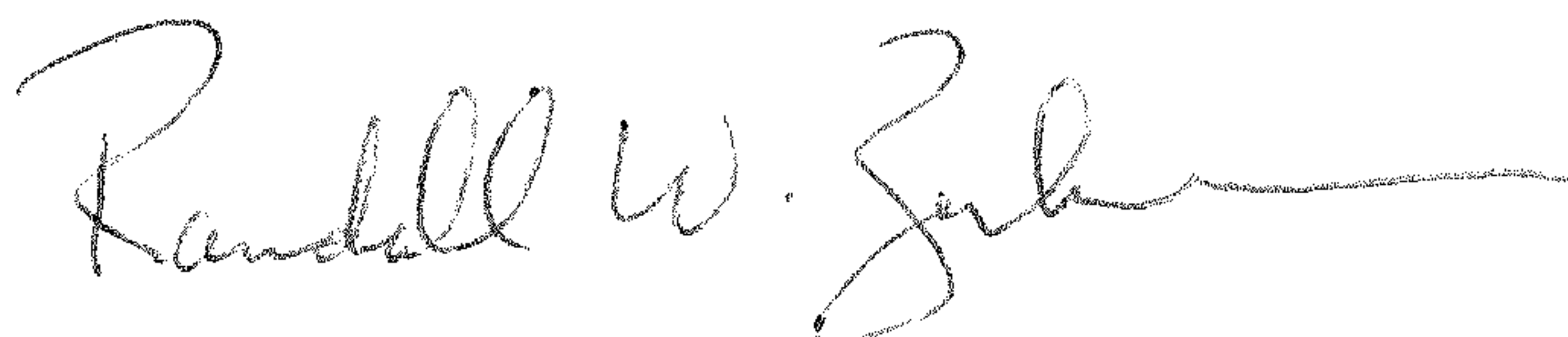
charges to balance the HCP accounts, and in FY2005 the HCP charges were \$47,070.00 over what was paid to Verizon. In total for years FY2003, FY2004, and FY2005 all of the HCP charges had been paid to Verizon and HNM had paid \$160.88 to balance the HCP accounts with Verizon at the end of FY2005. This analysis shows that HNM was providing a pass through of the charges from the underlying carrier and not profiting from this activity. *[Attachment F – invoice analysis from USAC decision dated February 10, 2009 and HNM restated invoice analysis]* FY2006 data was only from the first four months with Verizon and does not include the new Qwest contract because USAC has not processed the funding requests. The expectation is that the HCP charges will be balanced at the end of the funding year. USAC's appeal response statement "Thus, HNM was reoffering service to the HCPs under the master contract for a profit and collecting a 'brokerage fee,' which is evidence that HNM was a reseller as defined by the FCC." can not be supported by the correct analysis of the Verizon invoices. Again HNM states that is not and never has been an Internet Service Provider or reseller of telecommunication services.

The USAC appeal response goes on to state "Several HCPs contracted by USAC during its investigation indicated they understood HNM to be their service provider." HNM, on behalf of the TORCH Alliance, was a technology service provider to the Alliance member hospital in the same capacity as if the member hospitals had a permanent Information Technology person on their staff. This is supported by the HNM contract with the Alliance, which outlines the technology services (and does not include telecommunications services) to be provided to member hospitals. *[Attachment G – Community Hospital Foundation of Texas support of HNM appeal with attached hospital letters]* Based on the above HNM does not agree with the USAC appeal response statement "In light of the above, USAC concludes that HNM is a service provider."

The USAC appeal response concludes with "Because the HCPs surrendered control of the competitive bidding process to HNM (i.e., HNM was listed as the contact person for the HCPs) and HNM was a reseller service provider when it resold the services it negotiated under a master contract, an inherent conflict of interest exists in violation of the FCC's competitive bidding rules and the *MasterMind* Order. Therefore, THN's appeal is denied and the COMAD letters issued February 1, 2008 for Funding Years 2003 and 2004 are affirmed." HNM questions the applicability of the *MasterMind* Order to this investigation on two grounds: first, the role of the 'contact person' in the USF Rural Health Care Program is very different from that role in the USF Schools and Library Program *[Attachment H – Rural Health Care Program Form 465 with instructions and Schools and Library Program Form 470 first page of instructions]* and second, the *MasterMind* Order was the result of an investigation in the USF Schools and Library Program, not the USF Rural Health Care program.

Based on the foregoing arguments and authorities, HNM respectfully requests that the USAC decision of February 10, 2009 be vacated and that funding be restored for FY 2003 through FY 2007.

Respectfully submitted,



Randall W. Zunke
President
Hospital Networks Management, Inc.

Attachment A

Copy of the February 10, 2009 decision

Administrator's Decision on Rural Health Care Program Appeal

Via Electronic and Certified Mail

February 10, 2009

Mr. Randy Zunke
President
Texas Health Care Network
P.O. Box 15384
Austin, TX 78761-5384

Re: Rural Health Care Program Funding – Hospital Networks Management, Inc.

Dear Mr. Zunke:

The Universal Service Administrative Company (USAC) has completed its evaluation of the letters of appeal of two USAC decisions denying funding from the Rural Health Care (RHC) Support Mechanism. On February 8, 2008, Hospital Networks Management, Inc. (HNM) submitted its appeal (*February 8 Appeal*) of USAC's December 10, 2007 decision (*December 10 Decision*) to deny funding for Funding Year 2006 and nullify all pending 2007 requests. On April 1, 2008, HNM submitted its appeal (*April 1 Appeal*) of USAC's February 1, 2008 decision (*February 1 Decision*) to retract funding for Funding Years 2001-2005. (The *December 10 Decision* and *February 1 Decision* are hereinafter collectively referred to as *Decision Letters*.) USAC finds that HNM violated the Federal Communications Commission's (FCC or Commission) competitive bidding requirements in Funding Years 2001 through 2006. As described more fully below, USAC denies the appeals and funding requests with respect to Funding Years 2003 through 2006 only.

I. Background

A. Funding Year 2006 Investigation

In 2007, based on complaints received from potential bidders responding to Funding Year 2006 Form 465 postings, USAC conducted an investigation of HNM.¹ USAC

¹ Randy Zunke represents himself as the president of Texas Healthcare Network (THN), an entity representing a consortium of hospitals, and as president of HNM. HNM devotes much of the *February 8 Appeal* to THN's legal status. HNM explains that despite the "undisciplined use of this fictitious name" and the explanation by Zunke (a "non-lawyer"), THN is a d/b/a for HNM and THN simply exists as a name for a consortium of hospitals. Although THN appears to be more than just a fictitious name and Mr. Zunke seems to use THN and HNM differently depending on the circumstances, for purpose of this decision only,

concluded in the *December 10 Decision* that HNM presented itself as the service provider to the health care providers (HCPs). Because HNM was also the contact entity on the Forms 465, USAC determined there was a conflict of interest in violation of the FCC's competitive bidding rules.² USAC also concluded that HNM failed to select the most cost effective service provider as required by section 54.603(b)(4)³ of the FCC's rules.⁴ As a result, USAC denied funding for Funding Year 2006 and required all HCPs to re-post Forms 465 for Funding Year 2007 with new mailing contact information where Randy Zunke or HNM appeared as the contacts.⁵

B. Funding Years 2001-2005 Investigation

At the conclusion of the investigation for Funding Year 2006, USAC initiated a second investigation to determine if the FCC's competitive bidding requirements were violated during Funding Years 2001 through 2005. Because Mr. Zunke's relationship with the HCPs as a consultant and HNM's appearance as a service provider appeared to begin with Funding Year 2001, USAC determined a conflict of interest existed during Funding Years 2001-2005 in violation of the FCC's competitive bidding rules.⁶

II. Decision on Appeal and Explanation: Denied in Part, Granted in Part.

USAC grants the appeal with respect to Funding Years 2001 and 2002 and denies the appeal with respect to Funding Years 2003 through 2006.

A. Funding Years 2001 and 2002

HNM argues that a complaint filed in 2007 is too remote in time to justify launching an investigation into Funding Years 2001 through 2005. HNM believes the allegations or circumstances regarding activities in Funding Year 2006 do not infer a conflict of interest in Funding Years 2001 through 2005.⁷

As administrator of the Universal Service Fund and the universal service support mechanisms, USAC is required to seek recovery of funds disbursed in violation of a statute or the Commission's rules.⁸ In light of the requirement that health care providers retain documentation for five years from the end of the funding year for purchases of

USAC will refer to HNM and THN collectively as HNM. *See e.g.*, Texas Health Care Rural Health Care Pilot Program application, pp. 6, 18 (May 4, 2007).

² *December 10 Decision* at 7-11.

³ 47 C.F.R. § 54.603(b)(4).

⁴ *December 10 Decision* at 4-7.

⁵ *Id.* at 12.

⁶ *February 1 Decision* at 4.

⁷ *April 1 Appeal* at 11.

⁸ 47 C.F.R. § 54.707.

services supported by the Rural Health Care support mechanism,⁹ USAC will not seek recovery of funds from HNM for Funding Years 2001 and 2002. Therefore, USAC grants the appeal as it relates to recovery of funds for Funding Years 2001 and 2002, and USAC rescinds the Commitment Adjustment Notification Letters (COMAD) issued February 1, 2008 for the following HCPs and associated funding request numbers (FRN): HCP 12559, FRN 6616; HCP 12559, FRN 8933; HCP 13139, FRN 9706; HCP 13140, FRN 9705; and, HCP 13345, FRN 9362.

B. Evergreen Status

In the *February 8 Appeal*, HNM argues that all HCPs receiving services under the master contract with MCI should have been designated “evergreen” because these HCPs met the requirements for an evergreen contract.¹⁰ Additionally Funding Commitment Letters (FCLs) for two of the HCPs under the master contract stated that the contract was evergreen. In its appeal, HNM argues that the HCPs were justified in believing, and reporting to the public, that they were under an evergreen contract.¹¹

USAC agrees that the master contract included the necessary elements to obtain evergreen status.¹² The FCLs originally designating the HCPs’ contract status as “month-to-month” for Funding Year 2006 should have designated the contract status as “evergreen.” Nonetheless, even with “evergreen” status, the HCPs were not exempt from competitive bidding. Thus, as discussed more fully below the retroactive designation of the contracts as “evergreen” is immaterial because the competitive bidding rules were violated when new services were obtained outside the existing contract period.

C. Funding Year 2006

HNM argues “no harm could result” from its failure to finish the term of its original contract with MCI and entering into a replacement contract with Qwest.¹³ FCC

⁹ *Id.* See also, *In the Matter of Rural Health Care Support Mechanism*, Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 03-288, 18 FCC Rcd 256, ¶¶ 49, 60 (2003) (codifying the five year record retention requirement and establishing effective date as start of Funding Year 2004). Prior to the five year record retention requirement, health care providers were required to retain documentation “necessary to assist in future audits.” *In the Matter of Federal-State Joint Board on Universal Service*, Report and Order, CC Docket No. 96-45, FCC 97-157, 12 FCC Rcd 8776, ¶ 581 (1997). See also 47 C.F.R. § 54.619(a) (2002).

¹⁰ *February 8 Appeal* at 13. See 47 C.F.R. § 54.603(b) and <http://www.usac.org/rhc/tools/glossary-terms.aspx#evergreen> (defining elements of an evergreen contract).

¹¹ *February 8 Appeal* at 13.

¹² The scope, type of service and term of the contract were stated and the contract was signed by HNM and the service provider. Although the master contract did not contain the specific names of the hospitals covered by the contract, the NPA/NXX codes were included for each HCP receiving service. 47 C.F.R. § 54.603(b) and <http://www.usac.org/rhc/tools/glossary-terms.aspx#evergreen> (an evergreen contract must “identify both parties to the contract, be signed and dated by both parties to the contract, specify the type and terms of service, have a specific duration, and be reviewed and verified as to these details by USAC.”)

¹³ *February 8 Appeal* at 14.

regulations require eligible HCPs to participate in a competitive bidding process when selecting telecommunications carriers that will provide services eligible for support.¹⁴ An HCP is permitted to change service providers in the middle of a contract without competitively bidding the contract only when the new contract ends at the same time as the existing contract and the terms of the new contract are for the same or lower price.¹⁵ The contract with Qwest was for a period beyond that of the contract it replaced. Therefore, HNM was required to competitively bid the contract. Because HNM failed to competitively bid the requested services resulting in the contract with Qwest, USAC finds that HNM violated the FCC's competitive bidding rules.¹⁶ Therefore, USAC appropriately denied all Funding Year 2006 requests for funding for services provided by Qwest to the HCPs.¹⁷ USAC also denies all requests for funding associated with the HNM/Qwest master contract.¹⁸

D. Conflict of Interest

HNM argues there is no conflict of interest in violation of the *MasterMind* Order¹⁹ because HNM is not a service provider.²⁰ To support its argument, HNM claims there is no evidence showing HNM profited from the sale of telecommunications services. It acted solely as the administrator of services procured on behalf of the HCPs and it has never been a service provider.²¹ Further, HNM argues that statements from HCPs that they were "under contract" with HNM or received services through HNM do not establish a conflict of interest.²² HNM also argues that USAC's reading of the

¹⁴ 47 C.F.R. § 54.603.

¹⁵ See Operational SPIN Change guidance on USAC's website at <http://www.usac.org/rhc/about/changes-corrections/SPIN-change-guidance/operational-SPIN-change.aspx>. Cf. *In the Matter of Request for Review of the Decision of the Universal Service Administrator by Copan Public Schools, Copan, Oklahoma*, Federal State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association Inc., File No. SLD 26231, CC Docket No. 96-45, CC Docket 97-21, FCC 00-100 (Mar. 16, 2000).

¹⁶ During its investigation, USAC provided HNM the opportunity to demonstrate that even if it had followed the competitive bidding process, the contract with Qwest would have been selected because it was the most cost effective bid. HNM failed to demonstrate the cost effectiveness of the Qwest contract. See *December 10 Decision*. HNM did not address this aspect of the rule violation in the *February 8 Appeal*.

¹⁷ See Attachment A for a complete list of HCPs and packet requests for Funding Year 2006 that are denied.

¹⁸ See Attachment B for a complete list of HCPs and packet requests for Funding Year 2007 that are denied. USAC-RHCD will send the denial letters under separate cover.

¹⁹ *Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Service, Inc., Federal-State Joint Board on Universal Service*, Order, FCC 00-167, 16 FCC Rcd. 4028 (2000) (*Mastermind*).

²⁰ *February 8 Appeal* at 10-20.

²¹ *April 1 Appeal* at 7.

²² *Id.* at 10.

competitive bidding rules and *MasterMind* is overly broad because USAC is basing a conflict of interest finding on HNM's perceived appearance as a service provider.²³

The FCC's rules require a fair and open competitive bidding process. This means the service provider may not have direct involvement in the application process.²⁴ In *MasterMind*, the FCC determined the competitive bidding process can be undermined if a prospective bidder chooses not to participate in the bidding process because it believes the contact person is a service provider.²⁵ Simply the "appearance of a pre-existing relationship between the competitor/contact person and the applicant" could lead prospective bidders to believe the bidding will not be conducted in an open and fair manner.²⁶

The FCC defines resale as "an activity wherein one entity subscribes to the communications services and facilities of another entity and then reoffers communications service and facilities to the public (with or without 'adding value') for profit."²⁷ The FCC further describes a type of reseller as a service provider that functions "exclusively as the middleman" between the underlying carrier and the end user "under terms of price and delivery, which presumably will be sufficiently favorable to the end user to warrant payment of a brokerage fee."²⁸

After reviewing invoices by Verizon and HNM's billings to the HCPs, USAC determined HNM profited from the services provided under the master contract. HNM was not simply passing through the charges from the underlying carrier.²⁹ The service fees HNM collected from the HCPs exceeded invoiced amounts charged by the service provider after the RHC Support Mechanism funding was applied. The difference in the amount collected by HNM from the HCPs and the amount paid to the service provider constituted a profit.³⁰ In addition to the profit received, HNM also charged for "management"

²³ February 8 Appeal at 18.

²⁴ See *Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc., Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Order, 16 FCC Rcd 4028-4032-33, ¶ 10 (2000); See also, *Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, et al. Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, 19 FCC Rcd 6858, ¶ 60 (2003).

²⁵ *Mastermind* ¶ 11.

²⁶ *Id.* at n.36.

²⁷ *In the Matter of Regulatory Policies Concerning Resale and Shared Use of Common Carrier Services and Facilities*, Report and Order, FCC 76-641, 60 FCC 2nd 261, ¶ 17 (1976).

²⁸ *Id.* at ¶ 19.

²⁹ The service provider also indicated to USAC during its investigation that HNM was not even paying it for services rendered by the carrier.

³⁰ See Attachment C for an analysis of Funding Years 2003, 2004, 2005 and 2006. USAC reviewed all documentation provided by HNM and its internal records to complete this analysis. USAC estimates that HNM collected \$177,510.30 from the HCPs that HNM did not pass on to the carrier. Additionally, the Verizon invoices reflect that HNM owed Verizon approximately \$189,000.00 for services received.

services for the network. Thus, HNM was reoffering service to the HCPs under the master contract for a profit and collecting a “brokerage fee,” which is evidence that HNM was a reseller as defined by the FCC.

Several HCPs contacted by USAC during its investigation indicated they understood HNM to be their service provider.³¹ USAC also obtained five internet service agreements between HNM and HCPs.³² The internet service agreement states: “THN reserves the right to provide the Internet Service directly or provide the Internet Service through an independent Internet Service Provider.”³³ When prospective bidders contacted some of the HCPs, the HCPs informed the prospective bidder they were already under contract with HNM. Further, on April 30, 2007, AnyWare Group (a provider of “customer driven access solutions”) released a press release on its partnering relationship with Texas Healthcare Network³⁴ in which it described THN as “a technology service provider to health care organizations.”³⁵ In light of the above, USAC concludes that HNM is a service provider.

Because the HCPs surrendered control of the competitive bidding process to HNM (*i.e.*, HNM was listed as the contact person for the HCPs) and HNM was a reseller service provider when it resold the services it negotiated under a master contract, an inherent conflict of interest exists in violation of the FCC’s competitive bidding rules and the *MasterMind* Order.³⁶ Therefore, THN’s appeal is denied and the COMAD letters issued February 1, 2008 for Funding Years 2003 and 2004 are affirmed.³⁷

HNM has sixty days to file an appeal of this decision with the FCC. If an appeal is not filed, recovery action will commence at that time.

USAC also finds that the denial of funding for Funding Years 2005 and 2006 for service provided by MCI d/b/a Verizon was also appropriate and USAC will rescind the associated support schedules.³⁸

³¹ The *Decision Letters* describe in greater detail the facts demonstrating that HNM appeared to be a service provider to the HCPs.

³² USAC understands that more HCPs may have signed similar agreements with HNM.

³³ THN Internet Service Agreement, Section 2.1. *See* Attachment D.

³⁴ *See* Attachment E. The press release was originally published at:
<http://www.anywaregroup.com/news/2007/news2.php>.

³⁵ *Id.*

³⁶ 47 C.F.R. § 54.603.

³⁷ *See* Attachment F for a complete listing of the funding requests included in the COMAD action.

³⁸ *See* Attachment G for a complete listing of the rescinded funding requests.

Mr. Randy Zunke
February 10, 2009
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If you wish to appeal this decision, you may file an appeal with the FCC. Detailed instructions for filing appeals are available at:

<http://www.usac.org/rhc/about/filing-appeals.aspx>

Sincerely,

USAC

cc: Jonathan L. Rubin, Counsel for HNM and Zunke (via email)
Health Care Providers as shown in Attachment H (via US mail).

Attachment B

Copy of MCI contract signature page

MCI Service Agreement

Contract ID: 503449-02

Billing Code: 01|03|04A

Segment: Commercials S&W

Sales Rep: Marty Weidenbach

HOSPITAL NETWORKS MANAGEMENT INC (hereinafter
ner")
15384


AUSTIN, TX 78761


Randy Zunke, President

Pricing and/or promotional benefits in this Agreement may not be
available if it is signed and delivered to MCI after June 09, 2005.

5/11/05
Acceptance Date

MCI WorldCom Communications, Inc.


Suleiman Hessami, Senior Vice President, Business Development

5/20/05
Acceptance Date

General Terms and Conditions

This Agreement, together with any Attachments and Schedules ("Agreement"), is made by and between MCI WORLDCOM Communications, Inc. ("MCI"), on behalf of itself and its affiliates and successors and HOSPITAL NETWORKS MANAGEMENT INC ("Customer"). The rates, charges, discounts, and credits set forth herein shall be effective (the "Effective Date") either: a) when service is installed if Customer has no MCI service at the time this Agreement is accepted by MCI; or b) otherwise, by the first day of the first full billing cycle following acceptance of the Agreement by MCI. MCI acceptance occurs upon MCI's verification that an unaltered Customer-signed document is received by an MCI implementation center.

1. **Services.** MCI will provide to Customer the services ("Services") identified in the Services Attachment to this Agreement.

- Long Distance Service
- Toll Free Service
- MCI Advantage Service
- Audioconferencing and Net Conferencing Service
- Videoconferencing Service
- Network Access
- Internet Dedicated T1 Service
- Internet DSL and Cable Services
- Customer Premises Equipment
- Managed Email Content
- Managed Firewall - Corporate/Office/Solo (U.S. Only)

Any reference to the MCI network and/or billing platforms known as Options 1, 2, 3 or 4 is for MCI's convenience only, and MCI may change or eliminate those designations, or change the platforms used to provide services to Customer, at any time.

2. **Tariff and Guide.** MCI's provision of Services to Customer will be governed by MCI's international, interstate and state tariffs ("Tariff(s)") and MCI's "Service Publication and Price Guide" ("Guide"), each as supplemented by this Agreement. This Agreement incorporates by reference the terms of each such Tariff and Guide. The Guide is available to Customer on MCI's internet website (www.mci.com) ("Website") and at MCI's offices during regular business hours at 22001 Loudoun County Parkway, Ashburn, VA 20147. MCI may modify the Guide from time to time, and any modification will be binding upon Customer. Customer may sign-up for email alerts of Guide changes at www.mci.com/guide/subscription. Except for new services, service features, service options, or service promotions, which will become effective immediately upon their posting in the Guide on the Website, any modification made to the Guide will become effective on the date indicated in the Guide, provided that no such modification shall become effective and binding on Customers until it has been posted in the Guide for at least 15 calendar days. The contractual relationship between MCI and Customer shall be governed by the following order of precedence: (i) the Tariffs to the extent applicable, (ii) the provisions of this Agreement, (with services-specific terms having precedence over general terms), and (iii) the Guide. Capitalized terms defined in this Agreement (including attachments incorporated by reference) have the meaning given them in this Agreement.

3. **Changes To The Guide.** If MCI makes any changes to the Guide (other than changes to Governmental Charges referenced below) which affect Customer in a material and adverse manner, Customer may discontinue the affected Service without liability by providing MCI with written notice of discontinuance within 60 days of the date such change is posted on the Website. Customer shall pay all charges incurred up to the time of Service discontinuance. MCI may avoid Service discontinuance if, within 60 days of receipt of Customer's written notice, it agrees to amend this Agreement to eliminate the applicability of the material and adverse change. If a Service is discontinued hereunder, Customer's AVC (as defined below), will be reduced, as appropriate, to accommodate the discontinuance. A "material and adverse change" shall not include, nor be interpreted to include, (i) the introduction of a new service or any new service feature associated with an existing Service, including all terms, conditions and prices relating thereto, or (ii) the imposition of or changes to Governmental Charges.

Attachment C

Bellville FY2005 Funding Commitment Letters

Bellville e-mail stating they were under contract



Universal Service Administrative Company
Rural Health Care Division

80 South Jefferson Road
Whippany, NJ 07981

www.rhc.universalservice.org
Phone: 1-800-229-5476

January 19, 2006

Randy Zunke
Texas Healthcare Network
PO Box 15384,
Austin, TX 78761-5384

Re: Funding Commitment for Funding Year 2005, Funding Request # 18442

Dear Randy Zunke:

The Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) has completed a review of your FCC Forms 466 or 466A and made decisions with respect to your request for support of telecommunications or Internet services. This letter is to advise you of our decisions. We have sent this letter to both the rural HCP mailing address (above) and the rural HCP physical location (below) if these addresses are different.

HCP Number: 12685
HCP Contact Name: Michael Morris
HCP Name: Bellville General Hospital
HCP Address: 44 North Cummings
Bellville, TX 77418

In addition, a copy of this letter has been sent to your service provider listed below.

Service Provider Name: MCI Communications Corporation
Service Provider Identification Number (SPIN): 143001197

Based on the information provided on your applications, the RHCD determined that the rural HCP may receive the onetime (non-recurring) and monthly recurring support amounts shown below for Funding Year 2005 (7/1/05 to 6/30/06). The estimated total support amount listed below is what the RHCD has reserved for your request.

Service: T1 or DS1 - 1544 Kbps
Billing Account Number: 6000028784

Type of Service Agreement	Eligible Support Start Date	Support End Date	Estimated Months of Support	Non-Recurring Support Amount	Monthly Recurring Support Amount	Estimated Total Support Amount	Funding Request Number
Contract	7/1/2005	6/30/2006	12	\$0.00	\$1,023.04	\$12,276.48	18442

To help you understand the information provided in this letter, the following definitions are provided:

- **Service:** The type of service ordered from the service provider as shown on Form 466 or 466A.

- **Type of Service Agreement:** This reflects RHCD's determination of whether the applicant is eligible for support based on a contract or a month to month service. For contract service, RHCD must have reviewed the relevant document(s) and determined that they meet RHCD contract criteria (written document signed by both parties with a valid contract award date and sufficient terms of service). Agreements that do not meet the standards for treatment as contracts are treated as month to month service, or if an HCP is eligible for month to month service support prior to the contract award date, they are treated as month to month service. In some circumstances, service under a pre-existing contract may be supportable before the 29th day that Form 465 was posted on the RHCD website, but month to month service is never eligible for such pre-posting support. Questions about contract/month to month determination may be directed to the RHCD Customer Services Support Center at 1-800-229-5476.
- **Eligible Support Start Date:** The first possible date for which the RHCD will provide support for the requested service. Note: If the actual start date on Form 467 is different from the date on Form 466 or Form 466A, the eligible start date will either be the date shown on Form 467 or the 29th day after Form 465 was posted on the RHCD website depending on which is later and the type of service agreement.
- **Support End Date:** The end date of Funding Year 2005 is June 30, 2006. This is also the last day support may be given to eligible rural HCPs for Funding Year 2005 of the program.
- **Estimated Months of Support:** The number of full and partial months, calculated from the eligible support start date to the support end date based upon information provided on Forms 466 or 466A and supporting documentation.
- **Non-Recurring Support Amount:** The eligible one-time charges associated with the services ordered from the service provider. This amount is calculated from information provided on Forms 466 or 466A and supporting documentation. It may be different from the amounts submitted by the rural HCP because of an adjustment determined to be appropriate under program rules.
- **Monthly Recurring Support Amount:** The eligible monthly recurring support that the rural HCP should receive on bills from the service provider on a monthly basis during Funding Year 2005. This amount is calculated from the information provided by the rural HCP on Form 466 or 466A and supporting documentation. It may be different than the amounts submitted by the rural HCP because of an adjustment determined appropriate under program rules.
- **Estimated Total Support Amount:** The Monthly Recurring Support Amount multiplied by the Estimated Months of Support, plus the Non-Recurring Support Amount. The actual total support amount may differ from the amount shown above, depending upon when service actually started, as reported to RHCD on Form 467.
- **Funding Request Number:** The number assigned to the service request by the RHCD.

Next Steps

It is important to save this letter. Your next step in this process is the HCP's completion and submission of FCC Form 467. An electronic certification option is available through the RHCD website, allowing you to submit the Form 467 online. See the "E-Certification" section of the website for details. This will confirm your receipt of the services for which support has been approved, and the date on which the service provider began providing those services (If this funding commitment letter is for zero support, you need not complete a Form 467). You will need the Funding Request Number in the table above to complete Form 467. Your completed Form 467 allows us to begin processing invoices from the service provider for your support. You should contact each service provider yourself to make any necessary arrangements regarding billing of supported services, and any other administrative details relevant to your participation in this universal service program.

When filling out Form 467, please take special care when completing Block 5, Item 12, which requires the Billing Account Number of the organization eligible to receive the "universal service support credit." The Billing Account Number is an account code used by service providers to track charges and credits for customers and is listed on the bill for the supported service. The RHCD recommends that rural HCPs verify the Billing Account Number with their service provider.

The Billing Account Number in Item 12 must belong to the entity that is actually billed for the supported service. If the service used by the rural HCP is billed to another organization, such as the "parent" entity in a telemedicine consortium or network, please verify the Billing Account Number with that organization. FCC rules specifically state that the benefits of this program are only available to eligible rural HCPs. Therefore, although the service may be billed to another organization, the benefits of the support must clearly flow to the eligible rural HCP.

The Form 467 should be signed by the HCP employee responsible for procuring or maintaining the requested services for the rural HCP. The signer of Form 467 is certifying that the eligible rural HCP has or will receive the benefit of the universal service support.

The Billing Account Number, certifications, and all other information provided on FCC Forms 465, 466, 466A, and 467 may be subject to audit by the RHCD and the FCC. The RHCD must be immediately notified, if at any time, the supported services are not being conveyed to the eligible rural HCP, or the eligible rural HCP is not otherwise receiving the benefit of this federal universal service support. Rural HCPs that are approved for support are reminded that they, and any entity that filed an application on their behalf, continue to be subject to audits and other reviews that the RHCD and/or the FCC may undertake to insure that the universal service support is being used in compliance with FCC program rules. If the RHCD discovers that supported services are not being used in compliance with program rules, applicants will be subject to enforcement activities and other means of recourse by the RHCD and other appropriate Federal, state, and local authorities.

Appeals

The RHCD recognizes that some health care providers will disagree with our decisions. If you wish to file an appeal, your appeal must be *postmarked* no later than 60 calendar days after the Funding Commitment Letter was issued, starting on the date at the top of this letter. There are two appeal options:

- A. Write an RHCD Letter of Appeal explaining why you disagree with the Funding Commitment Letter and what outcome you request, **OR**;
- B. Write an appeal directly to the Federal Communications Commission (FCC) —skipping Option A— explaining why you disagree with the RHCD's decisions. The FCC rules governing the appeals process (Part 54 of Title 47 of the Code of Federal Regulations 54.719 – 54.725 as amended January 24, 2002 by FCC Order 01-376) are available on the RHCD web site (www.rhc.universalservice.org). While you may write directly to the FCC without first presenting your appeal to the RHCD, you are encouraged to write first to the RHCD so that we have an opportunity to review your appeal and grant it, if appropriate.

Please follow these guidelines when submitting a letter of appeal to the RHCD:

1. Write and mail your letter to:

Letter of Appeal
Rural Health Care Division of USAC
2000 L Street Northwest, Suite 200
Washington, DC 20036
Phone: (800) 229-5476

2. Appeals may be submitted to the RHCD electronically, by fax or by e-mail. E-mail submissions must be submitted to rhc-admin@universalservice.org. The RHCD will automatically reply to incoming e-mails to confirm receipt. E-mails can be submitted in any commonly used word processing format. Appeals to the RHCD filed by fax must be faxed to 202-776-0080. Appeals submitted by e-mail will be considered filed on a business day if they are received at any time before 12:00 a.m. (midnight), Eastern Standard Time. Similarly, fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 a.m.
3. Please provide necessary contact information. List the name, address, telephone number, fax number, and e-mail address (if available) of the person who can most readily discuss this appeal with the RHCD.
4. Identify the rural HCP Name, HCP Number, and Funding Request Number(s) from this letter.
5. Explain the appeal to the RHCD. Please keep your letter brief and to the point. It must identify a problem and why it is being appealed. RHCD support decisions are made by applying non-discretionary program rules to information submitted by applicants, so a letter simply stating, "We appeal the amount of support" provides no information that could lead to a different decision. Please review the information submitted, and explain precisely what alternate decision you believe RHCD should have reached using that information, within program rules. Please provide documentation to support your appeal.
6. Unless you are filing the appeal via e-mail, you must attach a photocopy of the Funding Commitment Letter you are appealing.
7. The RHCD will review all letters of appeal and respond in writing within 45 days of receipt of the appeal. The response will either grant the appeal or will explain why the appeal was not granted.
8. If the rural HCP disagrees with the RHCD's response, it may file an appeal with the FCC within 60 days of the date the RHCD issued its decision in response to the rural HCP letter of appeal. The FCC address to which a rural HCP may direct its appeal is:

Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Documents sent by Federal Express or any other express mail should use the following address:

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743
(8 AM – 7PM ET)

The FCC will not accept hand-delivered or messenger-delivered paper filings at its headquarters. They will be accepted only at the following address:

Federal Communications Commission
Office of the Secretary
236 Massachusetts Avenue, NE, Suite 110
Washington, DC 20002
(8 AM – 7PM ET)

For security purposes, hand-delivered or messenger-delivered documents will not be accepted if they are enclosed in an envelope. Any envelopes must be disposed of before entering the building. Hand deliveries must be held together with rubber bands or fasteners.

Appeals may also be submitted to the FCC electronically, either by the Electronic Comment Filing System (ECFS) or by fax. The FCC recommends filing with the ECFS to ensure timely filing. Instructions for using ECFS can be found on the ECFS page of the FCC web site. Appeals to the FCC filed by fax must be faxed to 202-418-0187. Electronic appeals will be considered filed on a business day if they are received at any time before 12:00 a.m. (midnight), Eastern Standard Time. Fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 a.m.

Please be sure to indicate Docket Nos. 96-45 and 97-21 on all communications with the FCC. The appeal transmission must also provide the rural HCP name and HCP number from the letter(s) being appealed, plus necessary contact information, including the name, address, telephone number, fax number, and e-mail address (if available) of the person filing the appeal. Unless the appeal is by e-mail, please include a copy of the letter being appealed.

Funding Year 2006

The Funding Year 2006 application-filing window will open well before the beginning of the funding year on July 1, 2006. Check the RHCD website for dates and details. The FCC requires applicants to re-file each funding year to participate in the rural health care universal service support mechanism, and applicants must complete and have a Form 465 posted on the RHCD website for 28 days before they may select a service provider and become eligible to receive support.

Questions

If you have any questions or need help, please call the Customer Service Support Center at 1-800-229-5476, Monday through Friday, 8am - 8pm, Eastern Time. Please have your HCP Number available as a reference.

Sincerely,

RHCD - USAC

cc: MCI Communications Corporation, Bellville General Hospital



Universal Service Administrative Company
Rural Health Care Division

80 South Jefferson Road
Whippany, NJ 07981

www.rhc.universalservice.org
Phone: 1-800-229-5476

January 19, 2006

Randy Zunke
Texas Healthcare Network
PO Box 15384,
Austin, TX 78761-5384

Re: Funding Commitment for Funding Year 2005, Funding Request # 18410

Dear Randy Zunke:

The Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) has completed a review of your FCC Forms 466 or 466A and made decisions with respect to your request for support of telecommunications or Internet services. This letter is to advise you of our decisions. We have sent this letter to both the rural HCP mailing address (above) and the rural HCP physical location (below) if these addresses are different.

HCP Number: 12685
HCP Contact Name: Michael Morris
HCP Name: Bellville General Hospital
HCP Address: 44 North Cummings
Bellville, TX 77418

In addition, a copy of this letter has been sent to your service provider listed below.

Service Provider Name: MCI Communications Corporation
Service Provider Identification Number (SPIN): 143001197

Based on the information provided on your applications, the RHCD determined that the rural HCP may receive the onetime (non-recurring) and monthly recurring support amounts shown below for Funding Year 2005 (7/1/05 to 6/30/06). The estimated total support amount listed below is what the RHCD has reserved for your request.

Service: Internet 466A - Kbps
Billing Account Number: 6000028784

Type of Service Agreement	Eligible Support Start Date	Support End Date	Estimated Months of Support	Non-Recurring Support Amount	Monthly Recurring Support Amount	Estimated Total Support Amount	Funding Request Number
Contract	7/1/2005	6/30/2006	12	\$0.00	\$67.31	\$807.72	18410

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- **Type of Service Agreement:** This reflects RHCD's determination of whether the applicant is eligible for support based on a contract or a month to month service. For contract service, RHCD must have reviewed the relevant document(s) and determined that they meet RHCD contract criteria (written document signed by both parties with a valid contract award date and sufficient terms of service). Agreements that do not meet the standards for treatment as contracts are treated as month to month service, or if an HCP is eligible for month to month service support prior to the contract award date, they are treated as month to month service. In some circumstances, service under a pre-existing contract may be supportable before the 29th day that Form 465 was posted on the RHCD website, but month to month service is never eligible for such pre-posting support. Questions about contract/month to month determination may be directed to the RHCD Customer Services Support Center at 1-800-229-5476.
- **Eligible Support Start Date:** The first possible date for which the RHCD will provide support for the requested service. Note: If the actual start date on Form 467 is different from the date on Form 466 or Form 466A, the eligible start date will either be the date shown on Form 467 or the 29th day after Form 465 was posted on the RHCD website depending on which is later and the type of service agreement.
- **Support End Date:** The end date of Funding Year 2005 is June 30, 2006. This is also the last day support may be given to eligible rural HCPs for Funding Year 2005 of the program.
- **Estimated Months of Support:** The number of full and partial months, calculated from the eligible support start date to the support end date based upon information provided on Forms 466 or 466A and supporting documentation.
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Next Steps

It is important to save this letter. Your next step in this process is the HCP's completion and submission of FCC Form 467. An electronic certification option is available through the RHCD website, allowing you to submit the Form 467 online. See the "E-Certification" section of the website for details. This will confirm your receipt of the services for which support has been approved, and the date on which the service provider began providing those services (If this funding commitment letter is for zero support, you need not complete a Form 467). You will need the Funding Request Number in the table above to complete Form 467. Your completed Form 467 allows us to begin processing invoices from the service provider for your support. You should contact each service provider yourself to make any necessary arrangements regarding billing of supported services, and any other administrative details relevant to your participation in this universal service program.

When filling out Form 467, please take special care when completing Block 5, Item 12, which requires the Billing Account Number of the organization eligible to receive the "universal service support credit." The Billing Account Number is an account code used by service providers to track charges and credits for customers and is listed on the bill for the supported service. The RHCD recommends that rural HCPs verify the Billing Account Number with their service provider.

The Billing Account Number in Item 12 must belong to the entity that is actually billed for the supported service. If the service used by the rural HCP is billed to another organization, such as the "parent" entity in a telemedicine consortium or network, please verify the Billing Account Number with that organization. FCC rules specifically state that the benefits of this program are only available to eligible rural HCPs. Therefore, although the service may be billed to another organization, the benefits of the support must clearly flow to the eligible rural HCP.

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The Billing Account Number, certifications, and all other information provided on FCC Forms 465, 466, 466A, and 467 may be subject to audit by the RHCD and the FCC. The RHCD must be immediately notified, if at any time, the supported services are not being conveyed to the eligible rural HCP, or the eligible rural HCP is not otherwise receiving the benefit of this federal universal service support. Rural HCPs that are approved for support are reminded that they, and any entity that filed an application on their behalf, continue to be subject to audits and other reviews that the RHCD and/or the FCC may undertake to insure that the universal service support is being used in compliance with FCC program rules. If the RHCD discovers that supported services are not being used in compliance with program rules, applicants will be subject to enforcement activities and other means of recourse by the RHCD and other appropriate Federal, state, and local authorities.

Appeals

The RHCD recognizes that some health care providers will disagree with our decisions. If you wish to file an appeal, your appeal must be *postmarked* no later than 60 calendar days after the Funding Commitment Letter was issued, starting on the date at the top of this letter. There are two appeal options:

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- B. Write an appeal directly to the Federal Communications Commission (FCC) —skipping Option A— explaining why you disagree with the RHCD's decisions. The FCC rules governing the appeals process (Part 54 of Title 47 of the Code of Federal Regulations 54.719 – 54.725 as amended January 24, 2002 by FCC Order 01-376) are available on the RHCD web site (www.rhc.universalservice.org). While you may write directly to the FCC without first presenting your appeal to the RHCD, you are encouraged to write first to the RHCD so that we have an opportunity to review your appeal and grant it, if appropriate.

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1. Write and mail your letter to:

Letter of Appeal
Rural Health Care Division of USAC
2000 L Street Northwest, Suite 200
Washington, DC 20036
Phone: (800) 229-5476

2. Appeals may be submitted to the RHCD electronically, by fax or by e-mail. E-mail submissions must be submitted to rhc-admin@universalservice.org. The RHCD will automatically reply to incoming e-mails to confirm receipt. E-mails can be submitted in any commonly used word processing format. Appeals to the RHCD filed by fax must be faxed to 202-776-0080. Appeals submitted by e-mail will be considered filed on a business day if they are received at any time before 12:00 a.m. (midnight), Eastern Standard Time. Similarly, fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 a.m.
3. Please provide necessary contact information. List the name, address, telephone number, fax number, and e-mail address (if available) of the person who can most readily discuss this appeal with the RHCD.
4. Identify the rural HCP Name, HCP Number, and Funding Request Number(s) from this letter.
5. Explain the appeal to the RHCD. Please keep your letter brief and to the point. It must identify a problem and why it is being appealed. RHCD support decisions are made by applying non-discretionary program rules to information submitted by applicants, so a letter simply stating, "We appeal the amount of support" provides no information that could lead to a different decision. Please review the information submitted, and explain precisely what alternate decision you believe RHCD should have reached using that information, within program rules. Please provide documentation to support your appeal.
6. Unless you are filing the appeal via e-mail, you must attach a photocopy of the Funding Commitment Letter you are appealing.
7. The RHCD will review all letters of appeal and respond in writing within 45 days of receipt of the appeal. The response will either grant the appeal or will explain why the appeal was not granted.
8. If the rural HCP disagrees with the RHCD's response, it may file an appeal with the FCC within 60 days of the date the RHCD issued its decision in response to the rural HCP letter of appeal. The FCC address to which a rural HCP may direct its appeal is:

Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Documents sent by Federal Express or any other express mail should use the following address:

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743
(8 AM – 7PM ET)

The FCC will not accept hand-delivered or messenger-delivered paper filings at its headquarters. They will be accepted only at the following address:

Federal Communications Commission
Office of the Secretary
236 Massachusetts Avenue, NE, Suite 110
Washington, DC 20002
(8 AM – 7PM ET)

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Please be sure to indicate Docket Nos. 96-45 and 97-21 on all communications with the FCC. The appeal transmission must also provide the rural HCP name and HCP number from the letter(s) being appealed, plus necessary contact information, including the name, address, telephone number, fax number, and e-mail address (if available) of the person filing the appeal. Unless the appeal is by e-mail, please include a copy of the letter being appealed.

Funding Year 2006

The Funding Year 2006 application-filing window will open well before the beginning of the funding year on July 1, 2006. Check the RHCD website for dates and details. The FCC requires applicants to re-file each funding year to participate in the rural health care universal service support mechanism, and applicants must complete and have a Form 465 posted on the RHCD website for 28 days before they may select a service provider and become eligible to receive support.

Questions

If you have any questions or need help, please call the Customer Service Support Center at 1-800-229-5476, Monday through Friday, 8am - 8pm, Eastern Time. Please have your HCP Number available as a reference.

Sincerely,

RHCD - USAC

cc: MCI Communications Corporation, Bellville General Hospital

Randy Zunke

From: Karen McEuen
Sent: Monday, April 03, 2006 1:00 PM
To: aavila@rhtel.com
Cc: Randy Zunke
Subject: FW: Universal Service Fund- Form 465

Dear Aisha Avila,

Thank you for the request for information on our telecommunication connectivity. We are currently under contract til the end of 2007 with Texas Health Network. They have submitted our bid that currently due by May 2006. They manage our requests and telecommunication needs.

THN works with the Texas Rural Telecommunication Alliance as well. At the present time, the business relationship we have with them is very agreeable for all of our needs.

Thank you for your inquiry.

Karen McEuen
Bellville General Hospital
IS Manager

-----Original Message-----

From: Aisha Avila - Rural Health Telecom [mailto:aavila@mailto:aavila@rhtel.comrhtel.com]
Sent: Tuesday, March 28, 2006 9:38 AM
To: Michael Morris
Subject: Universal Service Fund- Form 465

Rural Health Telecom
Experienced People Who Care

March 20, 2006

Michael Morris
Bellville General Hospital

We have reviewed your posting of the Form 465 for Funding Year 2006 on the USAC web-site.

In accordance with the 28-day bidding guidelines under the USAC - RHCD program, we are requesting specific information on the type of telecommunications connectivity you require.

Are you looking to implement or supplement a voice, data, video, telemedicine or teleradiology network? Many rural healthcare providers have used DSL or T1 connections to the internet for VPN services. Also, some use a frame relay, ATM or dedicated T1 from remote sites to the host site. Your needs may be a little different. If so, we represent numerous USAC approved telecommunications vendors and can assist you in the design of your network.

As a convenience to you, feel free to respond via email regarding your specific requirements. If you have questions or concerns, please contact me directly. If we don't hear from you within a few days, you can expect to receive a phone contact from our office regarding your status and current needs.

Thank you,

Aisha Avila
USAC - RHCD Specialist
Rural Health Telecom
888/989-5499

12685

Attachment D

HNH letter on changing contract from MCI to Qwest with cost analysis

Randy Zunke

From: Randy Zunke
Sent: Wednesday, August 08, 2007 6:15 AM
To: 'Daniel Johnson'
Subject: Complaint from Rural Health Telecom
Importance: High
AlirooHIPPASESState: 1

Daniel:

I would like to make sure our position is clear. I have attached my original letter as reference.

As background, the rural hospital consortium was formed back in 1999 by the Texas Organization of Rural and Community Hospitals (TORCH) for the purpose of building telecommunication and information technology infrastructure to support rural hospital operations in Texas. The initial infrastructure was built through a series of state grants (Telecommunications Infrastructure Fund) that were put in place by the Texas Legislature. In April 2002, TORCH approached Hospital Networks Management about managing this consortium of rural hospitals. We concluded an agreement and started managing the consortium in November 2002. Our major focus through the years has been to make the infrastructure technically sound and cost effective. Based on this focus the telecommunication structure was migrated from a Frame Relay architecture to a Internet based VPN architecture, which still provided network security and provided a more cost effective solution.

To achieve the cost benefits the consortium decided to negotiate a master telecommunication contract for all the rural hospitals in the consortium. As the attached letter states, the carrier that was selected was Verizon (i.e. WorldCom and MCI) and in May of 2005 we entered into a competitively bid contract with MCI for 3 years. All of the consortium rural hospitals with a T1 connection through this contract have participated in the USF program and Hospital Networks Management has had a number of discussions with USAC to make sure the consortium was in compliance with USF rules and regulations. **One of the key points is that we were putting in place a cost effective contract for the consortium (not a single hospital) through out the state Texas.** This means that if you compare to individually bid circuits some circuits in the master contract might be higher and some lower, but overall the cost of the master contract is a lower cost then the sum of the individual bids. The Verizon master contract (June 1, 2005 through May 31, 2008) was the result of this competitive selection process in 2005. **We believed that the contract was an "evergreen" contract in USF terminology, but to make sure there was no impact to the eligibility of the consortium hospitals, 465 forms were posted for each USF funding year.** If requests for bids were received as a result of these postings we did our best to respond either through e-mail or verbally that we were under contract until May 2008.

Technically the services provided under the Verizon were sound, but from a business practice view their billing process was never able to generate accurate invoices on a continuing basis. We were in a constant mode of reporting errors and then taking months to get them resolved. In the spring of 2006 we made a concerted effort to resolve these issues with Verizon and were not successful. Based on these issues a decision was made not to wait until the end of the contract to switch carriers. Even though it would cost time and money to switch carrier the long term benefit was significantly less time and resource spent on resolving billing errors. **From a USF perspective we had a valid contract in place through May 2008, so we made the contract switch to resolve a business issue and the new contract needed to be no more costly then the current one.** The new contract with Qwest not only resolved the business issue, but provided an approximate 25% cost reduction over the existing Verizon contract.

With this background, let me address Electra Hospital, HCP # 16153. Electra decided to convert their existing connection to the T1 in July 2006 and under our existing contract with Verizon an order was placed for the circuit 7/21/2006 with Verizon. The circuit was activated 8/10/2006, because of an oversight in our process the 465 form was not posted until 8/18/2006. Based on our understanding of the USF rules we were in compliance with the competitive bid provision because we had a master contract in place for the consortium hospitals, which included Electra Hospital.

Let me further clarify Hospital Networks Management role with the consortium. The consortium consists of rural

4/8/2009

hospitals in the state of Texas and Hospital Networks Management is not a member of the consortium, but is under contract with the consortium to manage the information technology infrastructure for the consortium. I would assume that an analogy would be USAC's relationship with the FCC, you are under contract with the FCC to manage the USF program for them. Texas Healthcare Network is a dba name that is used to refer the rural hospital consortium wide area network in Texas. Under the contract with the consortium we provide other information technology services, in addition to managing the wide area network, but I do not see any relevance of these other services to the issue being addressed by USF.

Finally, I would request that this matter be resolved in a timely manner as this is becoming a financial impact to our rural hospitals. The USAC website says these matters will receive "immediate attention". I submitted my letter on June 18, 2007, over 6 weeks ago, and I do not see us any closer to resolving this issue. This surely does not represent due process and "immediate attention". Since I do not believe that we have abused any of the USF rules and regulations, I will consider taking this issue directly to the FCC if it is not resolved in the next few days. I appreciate your attention to this matter.

Regards,
Randy
512-560-0466

4/8/2009

June 5, 2007

To: Universal Service Fund – Rural Health Care Program
From: Randy Zunke
President, Texas Healthcare Network
Subject: Change of Telecom Carrier Contract

Texas Healthcare Network (THN) is a network of 54 rural hospitals in the state of Texas. These hospitals have all chosen to join Texas Healthcare Network and receive their T1 Internet connections through the consortium. It is a private network built on the Internet through a VPN (Virtual Private Network) structure. This structure was chosen to provide a cost-effective and reliable broadband Internet connection to each of the member hospitals. Since starting the network the T1 Internet connections have been provided by Verizon (previously WorldCom and MCI). Throughout the years the technical service was very good, but we experienced numerous billing problems. In August of 2006 with Verizon acquiring MCI we made an effort to resolve our on-going billing issues and modify our contract to prevent these problems in the future. When this effort was not successful, a decision was made to change telecom carriers.

The contract with Verizon was effective through 5/31/2008 and the needs of the rural hospitals were the same as when the initial contract was put in place. Based on these rural hospital needs, the following selection criteria were defined:

- 1) The selected telecom carrier has to be able to provide connections throughout the state of Texas. This was important for two reasons. The network continues to grow and as new hospitals join we needed the ability to provide T1 connections timely and cost-effectively. Second, we are able to negotiate better prices for the telecom services with all of the connections (currently 44 T1 connections with five more being activated) being provided through a single source.
- 2) There needs to be a single focus for support of all the circuits. All the services (including local loops) are ordered and supported through the selected telecom carrier. When a circuit is having problems a single call needs to initiate the problem determination and resolution process, if multiple suppliers are involved in the circuit then the selected telecom carrier coordinates the process.
- 3) There needs to be a well defined Service Level Agreement with high availability (99% or greater). Today most of the network rural hospitals are utilizing teleradiology or PACS which means they need 100% availability on a 24x7 basis. In the future more services needed by the hospitals will be delivered electronically over the Internet. So the need for high availability is growing and is a necessity as opposed to something nice to have.

- 4) The selected telecom carrier needs advanced technology to support the future needs of Voice over IP (VOIP), Electronic Medical Records (EMR) and Telemedicine. Switching suppliers is costly and time consuming, so it is important select a supplier that is continually investing in new technology. Electronic Medical Records is a national priority, that should significantly reduce the cost of health care, but is going to require a very robust delivery system for the rural hospitals to realize EMR's full potential.

Based on these criteria we decided to focus tier one Telecom carriers to replace Verizon, the telecom resellers did not have the capability of meeting all the selection criteria. Given that we were replacing a contract that had been put in place in May of 2005 and that we had the contract parameters well defined, we decided to talk with a number of the tier one telecom carriers as opposed to a formal request for proposal (RFP) process. After these discussions we decided to engage with Qwest to put in place a new contract. The result was a contract that reduced our costs for T1 Local Loops and T1 Internet ports by about 25%. We also reduced USF subsidies from approximately \$660,000 per year to \$492,000 per year resulting in about a 25% savings to the USF program. Additionally we were able to contractually resolve the billing problems that we had experienced with Verizon.

Location	NPA/NXX	Access Size	Verizon Access Costs	Qwest Access Costs	AT&T Access Costs
Atlanta Memorial Hospital	903/799	DS1	\$ 732.90	\$ 672.00	\$ 1,825.90
Bellville General Hospital	979/865	DS1	\$ 1,039.78	\$ 578.00	\$ 265.00
Bowie Memorial Hospital	940/872	DS1	\$ 1,056.40	\$ 640.00	\$ 1,903.49
Brownfield Regional Medical Center	806/637	DS1	\$ 1,134.75	\$ 1,078.00	\$ 1,235.20
Collingsworth General Hospital	806/447	DS1	\$ 2,163.35	\$ 2,107.00	\$ 2,332.69
Colorado-Fayette Medical Center	979/725	DS1	\$ 1,224.15	\$ 1,073.00	\$ 2,068.72
Coryell Memorial Healthcare System	254/865	DS1	\$ 1,307.96	\$ 1,178.00	\$ 2,450.29
Culberson Hospital District	432/283	DS1	\$ 2,882.30	\$ 2,481.00	\$ 4,253.26
D.M. Cogdell Memorial Hospital	325/574	DS1	\$ 680.00	\$ 813.00	\$ 623.57
Dimmit County Memorial Hospital	830/876	DS1	\$ 1,479.63	\$ 1,091.00	\$ 2,118.12
El Campo Memorial Hospital	979/578	DS1	\$ 433.50	\$ 684.00	\$ 931.37
Electra Memorial Hospital	940/495	DS1	\$ 714.00	\$ 737.00	\$ 265.00
Frio Regional Hospital	830/334	DS1	\$ 1,170.40	\$ 629.00	\$ 920.91
Gordon Clinic	254/693	DS1	\$ 433.50	\$ 722.00	\$ 964.98
Heart of Texas Memorial Hospital	325/597	DS1	\$ 1,169.85	\$ 891.00	\$ 1,416.92
Henderson Memorial Hospital	903/655	DS1	\$ 821.17	\$ 435.00	\$ 265.00
Kimble Hospital	325/446	DS1	\$ 1,246.15	\$ 1,254.00	\$ 1,852.73
Laird Memorial Hospital	903/984	DS1	\$ 588.95	\$ 200.00	\$ 265.00
Lamb Healthcare Center	806/385	DS1	\$ 1,120.02	\$ 1,088.00	\$ 1,265.81
Lavaca Medical Center	361/798	DS1	\$ 2,116.60	\$ 632.00	\$ 1,882.28
Lillian M Hudspeth Memorial	325/387	DS1	\$ 1,093.55	\$ 1,078.00	\$ 963.03
Limestone Medical Center	254/729	DS1	\$ 948.58	\$ 677.00	\$ 1,184.18
Matagorda County Hospital	979/245	DS1	\$ 1,142.05	\$ 684.00	\$ 1,029.40
McCamey Hospital	432/652	DS1	\$ 1,233.10	\$ 760.00	\$ 1,831.68
Medical Arts Hospital	806/872	DS1	\$ 1,552.75	\$ 1,510.00	\$ 967.35
Mills County Medical Center	325/648	DS1		\$ 715.00	\$ 1,201.11
Mitchell County Hospital District	325/728	DS1	\$ 1,395.08	\$ 769.00	\$ 265.00
Muenster Memorial Hospital	940/759	DS1	\$ 928.31	\$ 773.00	\$ 1,753.65
Nocona General Hospital	940/825	DS1	\$ 1,100.00	\$ 839.00	\$ 1,596.21
Otto Kaiser Memorial Hospital	830/583	DS1	\$ 1,258.75	\$ 674.00	\$ 1,773.63
Palo Pinto General Hospital	940/325	DS1	\$ 433.50	\$ 572.00	\$ 1,912.66
Parmer County Community Hospital	806/250	DS1	\$ 1,336.18	\$ 1,289.00	\$ 1,890.89
Pecos County Memorial Hospital	432/336	DS1	\$ 1,615.95	\$ 1,017.00	\$ 2,437.08
Perian Regional Medical Center	432/523	DS1	\$ 953.30	\$ 832.00	\$ 1,330.66
Reagan Memorial Hospital	325/884	DS1	\$ 1,103.08	\$ 1,090.00	\$ 1,653.23
Reeves County Hospital	432/445	DS1	\$ 1,718.71	\$ 1,586.00	\$ 2,541.46
Refugio County Memorial Hospital	361/526	DS1	\$ 938.60	\$ 500.00	\$ 1,323.99
Santo Clinic	940/769	DS1	\$ 595.00	\$ 777.00	\$ 1,692.98
Starr County Memorial Hosp	956/487	DS1	\$ 1,037.69	\$ 786.00	\$ 2,441.53
Sweeny Community Hospital	979/548	DS1	\$ 946.78	\$ 515.00	\$ 987.96
Titus Regional Medical	903/577	DS1	\$ 1,115.30	\$ 619.00	\$ 1,898.56
Val Verde Regional Medical Center	830/775	DS1	\$ 2,596.04	\$ 2,001.00	\$ 3,805.90
Winkler County Memorial Hospital	432/586	DS1	\$ 1,203.65	\$ 769.00	\$ 1,852.55
Totals			\$ 49,761.31	\$ 39,815.00	\$ 67,440.93

T1 Internet Port

\$ 622.05 \$ 320.00 \$ 338.40

Attachment E

Network Services Agreement between HNM and Community Hospital
Foundation of Texas

MCI Contract

Qwest Contract

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

**NETWORK
SERVICES
AGREEMENT**

This Network Services Agreement ("Agreement") is effective the 1st day of January, 2007, by and between **Hospital Networks Management, Inc.** ("Contractor" or "HNM"), a Texas corporation, and **Community Hospital Foundation of Texas** ("Client" or "Alliance"), a Texas corporation.

Hospital Networks Management, Inc. was incorporated in May of 2000, for the purpose of providing affordable and comprehensive computer network services to hospitals. Community Hospital Foundation of Texas was incorporated in January of 2006, for the purpose of providing a vehicle through which health care organizations may collaborate to improve access to and delivery of health services.

Alliance desires the services of HNM, and HNM desires to provide services to Alliance.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the sufficiency of which are hereby acknowledged, Contractor and Client, hereby agree as follows:

1. Appointment. Client hereby hires and appoints Contractor to provide the Services defined in Exhibit A upon the terms and subject to the conditions set forth in this Agreement. Contractor hereby accepts such appointment upon such terms and subject to such conditions. It is expressly agreed by Contractor that Contractor is at all times acting and performing under this Agreement as an independent contractor, and that no act or commission by either party shall be construed to make or constitute the other its partner, principal, agent, joint venturer or associate. The parties share no common ownership or assets.

2. Services. Contractor agrees to perform for Client those Services described in the attached Exhibit A, which is incorporated into this Agreement.

2.1. Warranties. Contractor warrants and represents to Client that neither the Services nor any materials provided hereunder will in any way infringe upon any proprietary or intellectual property rights. Contractor represents that the Services provided hereunder will be performed in a manner consistent with the professional standards and the general customs and practices in the industry. Client will report any deficiencies in the Services, listed on Exhibit A, within thirty (30) days of the later of the completion of the Services or the date that such deficiencies were reasonably discoverable by Client, in no event,

Network Services Agreement

Contractor- Hospital Networks Management, Inc.

Client- Community Hospital Foundation of Texas

however, exceeding 180 days from the date of completion of such Services.

2.1.1. Remedies for Breach of Warranty. *Client's sole remedy for the breach of any warranty by Contractor under this Agreement shall be the re-performance of the Services. If Contractor is unable to re-perform, or chooses not to re-perform, the Services as warranted, Client shall be entitled to recover the fees paid to Contractor for the deficient Services. Client waives the right to sue Contractor for any damages arising out of the warranty set out above.*

2.1.2. No other Warranties. THE EXPRESS WARRANTIES CONTAINED IN THIS AGREEMENT ARE CONTRACTOR'S EXCLUSIVE WARRANTIES. CONTRACTOR DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY WARRANTY OF NON-INFRINGEMENT WITH RESPECT TO INTELLECTUAL PROPERTY. CONTRACTOR WILL NOT BE LIABLE IN ANY EVENT FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR INDIRECT DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. IN ANY EVENT, CONTRACTOR'S MAXIMUM LIABILITY UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNT PAID BY CLIENT UNDER THIS AGREEMENT.

3. Payment. In exchange for the Services, Contractor shall be paid as set forth in the attached **Exhibit B**, which is incorporated into this Agreement. Contractor shall invoice Client on a monthly basis. Each invoice is due and payable upon its receipt.

4. Independent Contractor. Contractor agrees to perform the Services in this Agreement as an independent contractor, not as an employee. Contractor shall devote such time and effort to the performance of the Services as may be necessary to satisfactorily complete the work. Contractor shall not subcontract any portion of the work to be performed without the prior written consent of Client, which consent shall not be unreasonably withheld. Neither party shall have the power to act as agent of the other or bind the other in any respect. Neither party shall be responsible for the debt incurred by the other.

4.1. Conflict of Interest. Notwithstanding the existence of this Agreement, Contractor may engage in whatever activities it may choose, whether the same be competitive with Client or otherwise, without having or incurring any obligation to offer any interest in, or disclosure of, such activities to Client.

5. Term. Unless sooner terminated by law, or as provided by this Agreement, the term of the agreement shall commence on the effective date as set forth above and shall continue until 6:00 p.m. on December 28, 2002 ("Initial Term"). This agreement shall be automatically extended beyond the Initial Term for successive terms of twelve (12) months each ("Renewal Term"), unless a written termination of this Agreement is provided by either party to the other at least ninety (90) days prior to the expiration date of the Initial Term or any Renewal Term.

5.1. Termination without Cause. Either party may terminate this Agreement without cause and for no reason by delivering written notice to the other party 30 days prior to the date of termination.

6. Termination for Cause. Either Contractor or Client may terminate this Agreement at any time for cause (as defined below) upon delivery of written notice thereof to the other. Upon such termination of this Agreement, each party shall pay to the other all compensation and monies due or which may become due hereunder. Such payments shall be due within thirty (30) days after the later of: (i) the effective date of the termination; or (ii) the terminated party's receipt of a complete accounting for such amounts due, crediting any amounts owed by the terminating party to the party terminated, if any, and including any costs or expenses paid by the terminating party arising out of the incident which is the "cause" for termination.

6.1. By Contractor. Contractor shall have cause for termination:

- (1) If Client shall materially default in the performance of any covenant, agreement, term or provision of this Agreement to be kept, observed or performed by Client and such default shall continue for a period of thirty (30) days after written notice to Client from Contractor stating the specific default;
- (2) If Client shall apply for or consent to the appointment of a receiver, trustee or liquidator of Client or of all or a substantial part of its assets, file a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they become due, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by a court of competent jurisdiction, on the application of a creditor, adjudicating Client a bankrupt or insolvent or approving a petition seeking reorganization of Client or appointing a receiver, trustee or liquidator of Client or of all or a substantial part of its assets; or
- (3) If Client assigns its interest under this Agreement without Contractor's written consent.

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Contractor- Hospital Networks Management, Inc.

Client- Community Hospital Foundation of Texas

(4) If Client shall fail to make any payment to Contractor, or to any permitted assignee or affiliate of Contractor, pursuant to this Agreement and does not make such payment within ten (10) days after receiving written notice from Contractor of such failure.

6.2. By Client. Client shall have cause for termination:

(1) If Contractor shall materially default in the performance of any covenant, agreement, term or provision of this Agreement to be kept, observed or performed by Contractor, and such default shall continue for a period of thirty (30) days after written notice to Contractor from Client stating the specific default;

(2) If Contractor shall apply for or consent to the appointment of a receiver, trustee or liquidator of Contractor or of all or a substantial part of the assets of Contractor, file a voluntary petition in bankruptcy or admit in writing its inability to pay its debts as they come due, make a general assignment for the benefit of creditors, file a petition or an answer seeking an arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating Contractor a bankrupt or insolvent or appointing a receiver, trustee or liquidator of Contractor or of all or a substantial part of the assets of Contractor;

(3) If Contractor assigns its interest under this Agreement without Client's written consent.

7. Indemnification and Liability.

7.1. Community Hospital Foundation of Texas. Client shall indemnify and hold harmless Contractor and its officers, directors, employees and affiliates harmless from any and all claims, losses, damages, expenses or liabilities whatsoever incurred by Contractor and its officers, directors, employees and affiliates, including reasonable attorney's fees, arising out of or relating to Contractor's breach of this Agreement or any third-party claims with respect to Contractor during the Term of this Agreement which are caused wholly or in part by any negligent or willful act or omission of Client, or of its officers, directors, employees or affiliates; but only to the extent not covered by insurance, and provided that Client shall not be obligated to indemnify and hold Contractor and its officers, directors, employees and affiliates harmless under this Section 7.1 for any matter for which Client has no liability under Section 7.3 of this Agreement.

7.2. Hospital Networks Management, Inc. Contractor shall indemnify and hold harmless Client and its officers, directors, employees and affiliates harmless from any and all claims, losses, damages, expenses or liabilities whatsoever incurred by Client and its officers, directors, employees and affiliates, including reasonable attorney's fees, arising out of or relating to Client's breach of this Agreement or any third-party claims with respect to Client during the Term of this Agreement which are caused wholly or in part by any negligent or willful act or omission of Contractor, or of its officers, directors, employees or affiliates; but only to the extent not covered by insurance, and provided that Contractor shall not be obligated to indemnify and hold Client and its officers, directors, employees and affiliates harmless under this Section 7.2 for any matter for which Contractor has no liability under Section 7.3 of this Agreement.

7.3. Liability. Contractor and Client shall not be deemed in violation of this Agreement, and shall not be liable to each other for any claims, losses, damages, expenses and liabilities, which are the result of forces beyond their control, including, without limitation, strikes, shortage, acts of God, or any statute, rule, or regulation.

7.4. Survival of Obligations. These indemnification and liability obligations shall survive the termination of this Agreement.

8. Confidentiality and Non-solicitation.

8.1 Non-disclosure of Confidential Information. Both parties to this Agreement acknowledge that their respective businesses involve the development and use of Confidential Information (defined below) and that they will make available such Confidential Information to each other in connection with their duties under this Agreement. Except as may be disclosed under this Agreement, or as may be required by law or government agencies to be disclosed, Contractor or Client or their respective officers, directors, employees, agents or affiliates (as applicable) shall not, at any time during or after the term of this Agreement, divulge, furnish, or make accessible Confidential Information to any person or entity for any purpose whatsoever. Confidential Information means any confidential or proprietary information of Contractor or Client, including, without limitation, their manuals, forms, policies and procedures, computer programs, system documentation and related software, customer and vendor lists, and any other information of any kind with respect to the finances or business operations of each party.

8.2. Non-use and Return of Materials. Effective upon a termination of this Agreement for any reason whatsoever, Contractor or Client, or their respective officers, directors,

employees, agents, or affiliates (as applicable) shall not use any of the other party's Confidential Information for any purpose whatsoever, including, but not limited to, use in connection with the development, operation, and management of any computer networks.

Within ten (10) days after the effective date of a termination of this Agreement for any reason whatsoever, each party shall deliver to the other all originals and copies of any Confidential Information in its possession, or in the possession of its officers, directors, employees, agents, or affiliates.

8.3. Trade Name. The trade name "Texas Healthcare Network" is the property of Healthshare/THA, which has assigned it to Hospital Networks Management, Inc. Community Hospital Foundation of Texas, shall have no rights whatsoever in this trade name, during or after the Term of this Agreement.

8.4. Non-solicitation by Contractor. Contractor agrees that, during the term of this Agreement, and for one year (1 yr.) after this Agreement is terminated, Contractor and its officers, directors, agents or affiliates shall not, without the written consent of Client, solicit or induce, directly or indirectly, any of Client's employees, customers, vendors, or suppliers to leave the business relationship with Client to work with Contractor, or to work with any other person or entity with whom Contractor is or becomes affiliated.

8.5. Non-solicitation by Client. Client agrees that, during the term of this Agreement, and for one year (1 yr.) after this Agreement is terminated, Client and its officers, directors, agents or affiliates shall not, without the written consent of Contractor, solicit or induce, directly or indirectly, any of Contractor's employees, customers, vendors, or suppliers to leave the business relationship with Contractor to work with Client, or to work with any other person or entity with whom Client is or becomes affiliated.

8.6. Remedies. Each party agrees that the other may not be adequately compensated for damages for a breach of the covenants contained in this Section 8, and the non-defaulting party shall be entitled to injunctive relief and specific performance in addition to all other remedies. If a court of competent jurisdiction shall finally determine that the restraints provided for in this Section 8 are too broad, the restraints shall be reduced by whatever extent the court deems necessary, and such covenant shall be enforced as reduced.

9. Intellectual Property. During the Term of this Agreement, as a result of Contractor's or Client's efforts under this Agreement, Contractor or Client may generate ideas, inventions, suggestions, copyrightable materials, or other information ("Intellectual Property").

9.1. Intellectual Property belonging to Client. Intellectual Property specifically related to the subject matter of Client's efforts under this Agreement, and directly related to, or

incorporated into, the work product to be produced by Contractor and delivered to Client under this Agreement, shall be the property of Client. Contractor agrees to disclose and assign to Client, in a form acceptable to Client, all such Intellectual Property, whether made alone, or in conjunction with others, and to render such assistance as Client may reasonably require to perfect such assignment and to protect such Intellectual Property.

9.2. Intellectual Property belonging to Contractor. Intellectual Property of general applicability, whether or not related to, or incorporated into, the work product to be produced by Contractor and delivered to Client under this Agreement, shall be the property of Contractor. Title to this Intellectual Property, as well as any Intellectual Property developed by Contractor prior to or outside of this Agreement, shall remain with Contractor. To the extent such Intellectual Property is incorporated into work product to be produced by Contractor and delivered to Client under this Agreement, Contractor grants and Client hereby accepts, during the term of this Agreement, a perpetual, worldwide, royalty-free, non-exclusive license to use all such intellectual property as incorporated into the Contractor work product.

10. Dispute Resolution. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Provided, however, that if agreed to by both parties, mediation shall be used prior to Arbitration.

11. Notices. All notices or other communications required or permitted to be given hereunder, or necessary or convenient in connection herewith, shall be in writing and shall be deemed to have been duly given if mailed by registered or certified mail, return receipt requested, first-class postage prepaid ("Registered Notice"), on the date posted or, if personally delivered, when delivered addressed as follows, or to such other addresses as may be given in writing to the parties:

To Hospital Networks Management, Inc.: Hospital Networks Management, Inc.
Randall W. Zunke, President
P. O. Box 15384
Austin, Texas 78761-5384

To Community Hospital Foundation
of Texas: Community Hospital Foundation of Texas
Larry Krupala, President/CEO
505 E. Huntland Drive, Suite 150
Austin, Texas 78752

Network Services Agreement

Contractor- Hospital Networks Management, Inc.

Client- Community Hospital Foundation of Texas

or as to any party, at such other address as such party may specify to other party in a notice given in compliance with this paragraph.

A copy of all notices by one party to the other shall also be given to:

Patrick E. Hudson
McLean & Howard, L.L.P.
1004 Mopac Circle, Suite 100
Austin, TX 78746

12. Statement of Terms. This Agreement constitutes the entire agreement of the parties; it is intended as a complete and exclusive statement of the terms of their agreement with respect to the subject matter hereof; and it supersedes all prior and concurrent promises, representations, negotiations, discussions and agreements that may have been made in connection with the subject matter hereof.

13. Modification. No modification or amendment of this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

14. Validity. In the event any provision of this Agreement shall be found legally invalid or unenforceable, the remaining provisions and obligations of this Agreement shall remain in full force and effect. To the extent any provision of this Agreement is found by any governmental authority to be contrary to any applicable laws or regulations, the parties shall do all things necessary to comply with the requirements of the governmental authority, including, but not limited to, executing and delivering such amendments, deletions or additions to this Agreement, and any such amendments, deletions and additions shall be fully enforceable.

15. Assignment. No party to this Agreement may assign or otherwise transfer any portion or all of its rights, obligations or interests under this Agreement without the express prior written permission of the other party.

16. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas and venue of any dispute arising under this Agreement shall be proper only in Travis County, Texas.

17. Non-Exclusivity. Either party may engage in other business ventures of every nature and description, independently or with others, in any geographic location.

18. Authorization of Agreement. HNM and Alliance represent and warrant, each to the other,

Network Services Agreement

Contractor- Hospital Networks Management, Inc.

Client- Community Hospital Foundation of Texas

that this Agreement has been duly authorized by all necessary corporate action, and that this Agreement constitutes a valid and enforceable obligation of Hospital Networks Management, Inc., and Community Hospital Foundation of Texas, in accordance with its terms.

19. Captions and Headings. The captions and headings throughout this Agreement are for convenience and reference only, and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, amplify or add to the interpretation, construction or meaning of any provision of, or the scope or intent of, this Agreement nor affect this Agreement in any other way.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, Hospital Networks Management, Inc., and Community Hospital Foundation of Texas, have caused this Agreement to be duly executed as of the date first above written.

CONTRACTOR:

HOSPITAL NETWORKS MANAGEMENT, INC.

By: _____
Randall W. Zunke, President

CLIENT:

COMMUNITY HOSPITAL FOUNDATION OF TEXAS

By: _____
Larry Krupala, President/CEO

Network Services Agreement

Contractor- Hospital Networks Management, Inc.

Client- Community Hospital Foundation of Texas

IN WITNESS WHEREOF, Hospital Networks Management, Inc., and Community
Hospital Foundation of Texas, have caused this Agreement to be duly executed as of the date first
above written.

CONTRACTOR:**HOSPITAL NETWORKS MANAGEMENT, INC.**By: Randall W. Zunke 2-13-07
Randall W. Zunke, President**CLIENT:****COMMUNITY HOSPITAL FOUNDATION OF TEXAS**By: Larry Krupala 2-13-07
Larry Krupala, President/CEONetwork Services AgreementContractor- Hospital Networks Management, Inc.Client- Community Hospital Foundation of Texas

EXHIBIT A - Services

Community Hospital Foundation of Texas (Alliance) is a secure, reliable, Internet based communications network designed exclusively for Texas hospitals to access information, education/training, and business applications. The purpose of this exhibit is to define the services to be provided to Community Hospital Foundation of Texas (Alliance) for managing and operating the Alliance network. Nothing herein constitutes a Warranty. There are no warranties in this Exhibit A.

1) Alliance Network Management Services, to include:

- a. General Management**
Provide general management of the Alliance network day-to-day business operations.
- b. Marketing**
Jointly develops an Alliance marketing plan with Texas Organization of Rural & Community Hospitals (TORCH).
- c. Alliance Business Plan**
Develop and update, as required, a Business Plan for the Alliance. Insure that each year's operating plan supports the business plan. Solicit input from the Alliance member hospitals in the development of the business plan.
- d. Alliance Operating Plan**
Develop a two-year Operating Plan for the next two fiscal years by the beginning of each new Alliance fiscal year.
- e. Alliance Network Development**
Provide the definition and design of new Alliance network content and services.
- f. Contract Management**
Provide the management of technical contracts for the implementation or maintenance of the Alliance network content and services.
- g. Management Measurement Reporting**
Provide a monthly management report that tracks the "key" measurements for Alliance. In addition to the report, provide an executive summary that gives a narrative analysis of the measurements along with any corrective actions required.

2) Alliance Network Operations, to include:

- a. Network Help Desk**
Provide Help Desk support for Alliance customers (initially 5x8 and possibly expanding to 7x24). In addition to answering customer calls the Help Desk is also responsible for monitoring the network, maintaining customer information, and maintaining all documentation for the Alliance.

- b. Data Center Operations
Provide support for the Alliance data center, including: equipment configurations; equipment monitoring; software updates; and data back up and recovery. Provide the on-going design, implementation, upgrading, and maintenance support for the Alliance network.
- c. Data Center Equipment Maintenance
This is a yearly fee to provide Cisco maintenance contracts for the PIX 506E Firewall, 520 Firewall, and 3030 VPN Concentrator in the Alliance data center.
- d. VPN Management
Provide the technical services to work with the hospitals to plan and install Alliance network connection at their facilities. Manage the Juniper NetScreen firewall at each hospital which provides the VPN connection over the Internet to the Alliance Data Center. Manage vendor VPN connections for Alliance hospitals.
- e. HAN / Website Management
This will provide for on-going support and education of the Alliance Network hospitals in the use of the Public Health Information Network (PHIN) capabilities. Additionally the Alliance will facilitate the identification of the key personnel at the network hospitals in the PHIN directory. Also provide for the management of hospital websites hosted by the Alliance.
- f. E-mail (security)
Secure E-mail licensing fee to provide secure e-mail capabilities, anti-spam, and anti-virus protection for the Alliance e-mail servers.

EXHIBIT B – Payments

The payment schedule for the management services (defined in Exhibit A) provided to Community Hospital Foundation of Texas (Alliance) is as follows:

- 1) Hospital Networks Management Invoice on the 15th of each month for the current month's services, each invoice will include two line items.
 - a. The fee for the Alliance Network Management Services (outlined in Exhibit A, section 1).
 - b. The fee for any Alliance Network Operations (outlined in Exhibit A, section 2).
- 2) The fees are:
 - a. The monthly fee for the Alliance Network Management will be \$4,500.00.
 - b. The monthly fee for the Alliance Network Operations will be \$13,100.00. Except for the August invoice which will have a monthly fee of \$19,700.00. Details of the Alliance Network Operations monthly fee is:
 - i. Network Help Desk - \$4,000.00 monthly fee
 - ii. Data Center Operations - \$4,750.00 monthly fee
 - iii. Data Center Equipment Maintenance – yearly one-time fee of \$6,600 on the August invoice
 - iv. VPN Management - \$2,250.00 monthly fee
 - v. HAN / Website Management - \$1,000.00 monthly fee
 - vi. E-mail (security) - \$1,100.00 monthly fee

In addition Hospital Networks Management, Inc will pay Community Hospital Foundation of Texas a monthly Network Services Fee. This Fee is based on the Network Services that Hospital Networks Management, Inc. sells to Alliance member hospitals each month. The fee for these services is 2% of the service revenue each month and will be paid on the 15th of the month following the month in which the services were sold.

MCI Service Agreement

Contract ID: 503449-02

Billing Code: 01|03|04A

Segment: Commercials S&W

Sales Rep: Marty Weidenbach

HOSPITAL NETWORKS MANAGEMENT INC (hereinafter
"Customer")
15384

AUSTIN, TX 78761


Randy Zunke, President

Pricing and/or promotional benefits in this Agreement may not be available if it is signed and delivered to MCI after June 09, 2005.

5/11/05
Acceptance Date

MCI WorldCom Communications, Inc.


Suleiman Hessami, Senior Vice President, Business Development

5/20/05
Acceptance Date

General Terms and Conditions

This Agreement, together with any Attachments and Schedules ("Agreement"), is made by and between MCI WORLDCOM Communications, Inc. ("MCI"), on behalf of itself and its affiliates and successors and HOSPITAL NETWORKS MANAGEMENT INC ("Customer"). The rates, charges, discounts, and credits set forth herein shall be effective (the "Effective Date") either: a) when service is installed if Customer has no MCI service at the time this Agreement is accepted by MCI; or b) otherwise, by the first day of the first full billing cycle following acceptance of the Agreement by MCI. MCI acceptance occurs upon MCI's verification that an unaltered Customer-signed document is received by an MCI implementation center.

1. **Services.** MCI will provide to Customer the services ("Services") identified in the Services Attachment to this Agreement.

- Long Distance Service
- Toll Free Service
- MCI Advantage Service
- Audioconferencing and Net Conferencing Service
- Videoconferencing Service
- Network Access
- Internet Dedicated T1 Service
- Internet DSL and Cable Services
- Customer Premises Equipment
- Managed Email Content
- Managed Firewall - Corporate/Office/Solo (U.S. Only)

Any reference to the MCI network and/or billing platforms known as Options 1, 2, 3 or 4 is for MCI's convenience only, and MCI may change or eliminate those designations, or change the platforms used to provide services to Customer, at any time.

2. **Tariff and Guide.** MCI's provision of Services to Customer will be governed by MCI's international, interstate and state tariffs ("Tariff(s)") and MCI's "Service Publication and Price Guide" ("Guide"), each as supplemented by this Agreement. This Agreement incorporates by reference the terms of each such Tariff and Guide. The Guide is available to Customer on MCI's internet website (www.mci.com) ("Website") and at MCI's offices during regular business hours at 22001 Loudoun County Parkway, Ashburn, VA 20147. MCI may modify the Guide from time to time, and any modification will be binding upon Customer. Customer may sign-up for email alerts of Guide changes at www.mci.com/guide/subscription. Except for new services, service features, service options, or service promotions, which will become effective immediately upon their posting in the Guide on the Website, any modification made to the Guide will become effective on the date indicated in the Guide, provided that no such modification shall become effective and binding on Customers until it has been posted in the Guide for at least 15 calendar days. The contractual relationship between MCI and Customer shall be governed by the following order of precedence: (i) the Tariffs to the extent applicable, (ii) the provisions of this Agreement, (with services-specific terms having precedence over general terms), and (iii) the Guide. Capitalized terms defined in this Agreement (including attachments incorporated by reference) have the meaning given them in this Agreement.

3. **Changes To The Guide.** If MCI makes any changes to the Guide (other than changes to Governmental Charges referenced below) which affect Customer in a material and adverse manner, Customer may discontinue the affected Service without liability by providing MCI with written notice of discontinuance within 60 days of the date such change is posted on the Website. Customer shall pay all charges incurred up to the time of Service discontinuance. MCI may avoid Service discontinuance if, within 60 days of receipt of Customer's written notice, it agrees to amend this Agreement to eliminate the applicability of the material and adverse change. If a Service is discontinued hereunder, Customer's AVC (as defined below), will be reduced, as appropriate, to accommodate the discontinuance. A "material and adverse change" shall not include, nor be interpreted to include, (i) the introduction of a new service or any new service feature associated with an existing Service, including all terms, conditions and prices relating thereto, or (ii) the imposition of or changes to Governmental Charges.

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MCI Service Agreement

4. **Term.** The "Initial Term" shall begin on the Effective Date and end upon the completion of 36 months. The Agreement will be automatically extended ("Extended Term") on a month-to-month basis upon the expiration of the Initial Term, unless either party has delivered written notice of its intent to terminate the Agreement at least 60 days prior to the end of the Initial Term. Either party may terminate this Agreement during the Extended Term upon sixty 60 days prior written notice. Term shall mean the Initial Term and the Extended Term.
5. **Minimum Annual Volume Commitment ("AVC").** Customer agrees to pay MCI no less than \$300,000.00 in Total Service Charges (as hereinafter defined) during each Contract Year. A "Contract Year" shall mean each consecutive twelve-month period of the Initial Term commencing on the Effective Date. During each monthly billing period of the Extended Term, Customer's Total Service Charges must equal or exceed 1/12 of the AVC. "Total Service Charges" shall mean all charges, after application of all discounts and credits, incurred by Customer for Services provided under this Agreement, specifically excluding: (i) taxes, tax-like charges and tax-related surcharges; (ii) charges for equipment, video conferencing and Image Port (unless otherwise expressly stated herein); (iii) charges incurred for goods or services where MCI or MCI affiliate acts as agent for Customer in its acquisition of goods or services; (iv) non-recurring charges; (v) "Governmental Charges" as defined below; (vi) international pass-through access charges (i.e., Type 3/PTT) and charges for international access provided by MCI (i.e., Type 1); and (vii) other charges expressly excluded by this Agreement.
6. **Underutilization Charges.** If, in any Contract Year during the Initial Term, Customer's Total Service Charges do not meet or exceed the AVC, then Customer shall pay: (a) all accrued but unpaid usage and other charges incurred under this Agreement; and (b) an "Underutilization Charge" in an amount equal to 75% of the difference between the AVC and Customer's Total Service Charges during such Contract Year. If, in any monthly billing period during the Extended Term, Customer's Total Service Charges do not meet or exceed 1/12 of the AVC then Customer shall pay: (a) all accrued but unpaid usage and other charges incurred under this Agreement, and (b) an "Underutilization Charge" equal to the difference between 1/12 of the AVC and Customer's Total Service Charges during such monthly billing period.
7. **Early Termination Charges.** If: (a) Customer terminates this Agreement before the end of Initial Term for reasons other than Cause; or (b) MCI terminates this Agreement for Cause pursuant to the Sections entitled "Termination" then Customer will pay, within 30 days after such termination: (i) all accrued but unpaid charges incurred through the date of such termination, plus (ii) an amount equal to 25% of the AVC for each Contract Year (and a pro rata portion thereof for any partial Contract Year) remaining in the unexpired portion of the Initial Term on the date of such termination, plus (iii) a pro rata portion of any and all credits received by Customer.
8. **Rates and Charges.** Customer agrees to pay the rates and charges specified in this Agreement (including rates and charges incorporated by reference). In the event (i) Customer receives any services that are not the subject of rates, charges and discounts expressly specified in this Agreement, or (ii) Customer purchases any services after the expiration of the Term, Customer shall pay MCI's standard rates as set forth in the Guide (or Tariffs, if applicable) for those services. As used in this Agreement in connection with rates and charges, "standard" refers to rates and charges for MCI Business Services II ("MBSII") where applicable. Except where explicitly stated otherwise for a particular service, all rates and charges are subject to change and all discount percentages set forth in this Agreement are fixed for the term of the Agreement. MCI may give Customer notice of such changes in rates or charges by posting them on the Guide, by invoice message, or by other reasonable means (notwithstanding Section 22 below). Except where explicitly stated otherwise, Customer will not be eligible to receive any other additional discounts, promotions and/or credits (Tariffed or otherwise). Except where explicitly stated otherwise, the rates and charges set forth in this Agreement do not include (without limitation) charges for all possible non-recurring charges, access service, local exchange service charges imposed by a third party other than MCI or an MCI affiliate, Internet service, on-site installation, applicable sales, use, excise, utility, and gross receipts taxes and other similar tax-like surcharges, governmental charges, network application fees, customer premises equipment or extended wiring to or at Customer premises.
9. **Governmental Charges.** MCI may adjust its rates and charges or impose additional rates and charges in order to recover amounts it is required or permitted by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs ("Governmental Charges"). Examples of such Governmental Charges include, but are not limited to, Universal Service funding, and compensation payable to payphone service providers for use of their payphones to access MCI's service.
10. **Taxes.** All Tax-related provisions of the Guide are specifically incorporated by reference herein. In accordance with the Guide, all charges are exclusive of applicable Taxes (as the term is defined in the Guide), which Customer shall pay. However, if applicable, MCI will exempt Customer in accordance with law, effective on the date MCI receives a valid exemption certificate for Customer. If Customer is required by the laws of any foreign tax jurisdiction to withhold income or profit taxes from a payment, Customer will, within 90 days of the date of the withholding, provide MCI with official tax certificates documenting remittance of the taxes to the relevant tax authorities. The tax certificates must be in a form sufficient to document qualification of the income or profit tax for the foreign tax credit allowable against MCI's U.S. corporation income tax, and accompanied by an English translation. Upon receipt of the tax certificate, MCI will issue Customer a billing credit for the amounts represented thereby.
11. **Payment.** Customer agrees to pay all MCI charges (except Disputed amounts, as defined below) within 30 days of invoice date. Payments must be made at the address designated on the invoice or other such place as MCI may designate. Amounts not paid or Disputed on or before 30 days from invoice date shall be considered past due, and Customer agrees to pay a late payment charge equal to the lesser of: (a) 1.5% per month, compounded, or (b) the maximum amount allowed by law, as applied against the past due amounts. A "Disputed" amount is one for which Customer has given MCI written notice, adequately supported by bona fide explanation and documentation. Any invoiced amount not Disputed within 6 months of the invoice date, shall be deemed to be correct and binding on Customer. Customer shall be liable for the payment of all fees and expenses, including attorney's fees, reasonably incurred by MCI in collecting, or attempting to collect, any charges owed hereunder.
12. **Termination.** Either party may terminate the Agreement for Cause. As to payment of invoices, "Cause" means the Customer's failure to pay any invoice (excluding Disputed amounts) within 30 days after the invoice date, which failure has not been cured within 10 days of receiving notice of it. For all other matters, "Cause" means a breach by the other party of any material provision of this Agreement, which has not been cured within 30 days after delivery of such notice. MCI may discontinue Service (without limitation) immediately, without notice, if interruption of Service is necessary to prevent or protect against fraud or otherwise protect MCI's personnel, facilities, or services.
13. **Confidential Information.** Commencing on the date Customer executes this Agreement and continuing for a period of 3 years from the termination of this Agreement, each party shall protect as confidential, and shall not disclose to any third party, any Confidential Information received from the disclosing party or otherwise discovered by the receiving party while the Agreement is in effect, including, but not limited to, the pricing and terms of this Agreement, and any information relating to the disclosing party's technology, business affairs, and marketing or sales plans (collectively the "Confidential Information"). The parties shall use Confidential Information only for the purpose of this Agreement. The foregoing restrictions on use and disclosure of Confidential Information do not apply to information that: (a) is in the possession of the receiving party at the time of its disclosure and is not otherwise subject to obligations of confidentiality; (b) is or becomes publicly known, through no wrongful act or omission of the receiving party; (c) is received without restriction from a third party free to disclose it without obligation to the disclosing party; (d) is developed independently by the receiving party without reference to the Confidential Information, or (e) is required to be disclosed by law, regulation, or court or governmental order.

MCI Service Agreement

14. **Acceptable Use.** Use of the Service(s) and related equipment and facilities must comply with the then-current version of the MCI Acceptable Use Policy ("Policy") for the countries from which Customer uses them (see www.mci.com/terms). MCI reserves the right to suspend or terminate Service effective upon notice for a violation of the Policy. Customer will indemnify and hold harmless MCI from any losses, damages, costs or expenses resulting from any third-party claim or allegation, which if true, would constitute a violation of the Policy. Each party will promptly notify the other of any such claim.
15. **Domain Names.** Customer will indemnify MCI for cost or liability arising from Customer's use of any domain name registered or administered on Customer's behalf that violates the service mark, trademark or other intellectual property rights of any third party. Customer irrevocably waives any claims against MCI that may arise from the acts or omissions of domain name registries, registrars or other authorities. Any violation of this Section is deemed a material breach establishing Cause for termination.
16. **Disclaimer of Warranties.** Except as specifically set forth in this Agreement, MCI makes no warranties, express or implied, as to any MCI Services, related products, equipment, software or documentation. MCI specifically disclaims any and all implied warranties, including without limitation any implied warranties of merchantability, fitness for a particular purpose, or title or noninfringement of third party rights.
17. **Disclaimer of Certain Damages.** Neither party shall be liable to the other for any indirect, consequential, exemplary, special, incidental or punitive damages, including without limitation loss of use or lost business, revenue, profits, or goodwill, arising in connection with this Agreement, under any theory of tort, contract, indemnity, warranty, strict liability or negligence, even if the party knew or should have known of the possibility of such damages.
18. **Limitation of Liability.** The total liability of MCI to Customer in connection with this Agreement, for any and all causes of actions and claims, including, without limitation, breach of contract, breach of warranty, negligence, strict liability, misrepresentation and other torts, shall be limited to the lesser of: (a) direct damages proven by customer; or (b) the amount paid by customer to MCI under this agreement for the 6 month period prior to accrual of the most recent cause of action. Nothing in this section shall limit MCI's liability: (a) in tort for its willful or intentional misconduct; or (b) for bodily injury or death proximately caused by MCI's negligence; or (c) loss or damage to real property or tangible personal property proximately caused by MCI's negligence.
19. **Assignment.** Either party may assign this Agreement or any of its rights hereunder to an affiliate or successor without the prior written consent of the other party, provided that if Customer assigns this Agreement to an affiliate or successor, then such affiliate or successor must meet MCI's creditworthiness standards. Any attempted transfer or assignment of this Agreement by either party not in accordance with the terms of this Section shall be null and void.
20. **Service Marks, Trademarks and Publicity.** Neither MCI nor Customer shall: (a) use any service mark or trademark of the other party; or (b) refer to the other party in connection with any advertising, promotion, press release or publication unless it obtains the other party's prior written approval.
21. **Governing Law.** This Agreement shall be governed by the laws of the State of New York without regard to its choice of law principles.
22. **Quality Assurance.** Notwithstanding the provisions of the Section entitled "Early Termination Charges," Customer will be permitted to terminate during the Term, without liability or further obligation, except for charges incurred up to the date of termination, a circuit that experiences "MCI-caused" quality deficiencies that are demonstrated by Customer to affect adversely and materially Customer's telecommunications applications (such a termination under this clause shall constitute a "Termination for Quality Assurance"). As used in this Section, "MCI-caused" means MCI acts or omissions regarding the provision of a circuit to Customer. A Termination for Quality Assurance will not be effective unless Customer has reported troubles on a circuit-specific, ANI basis to (and received a corresponding trouble ticket number from) MCI's Support Center and a period of not less than 30 days after receipt of Customer's written notice of termination has elapsed during which time MCI fails to correct such MCI-caused quality deficiencies for such circuit. Such 30 day period will commence upon MCI's receipt of Customer's written notice and will not re-commence if the same MCI-caused quality deficiencies occur again for such circuit during said thirty 30 day period.
23. **Business Divestiture.** In the event that Customer certifies to MCI in writing that: (a) Customer has sold or divested a subsidiary, affiliate or significant operating unit that uses Services hereunder ("Business Divestiture"); (b) Customer is unable to satisfy the AVC solely as a result of such Business Divestiture; (c) Customer has not substituted services provided by other vendors in place of the Services; and (d) Customer is not able to substitute for such diminished MCI usage other telecommunications services not currently provided to Customers by MCI, then Customer may request in writing that MCI and Customer attempt to negotiate a mutually agreeable amendment to this Agreement to decrease the AVC hereunder up to a maximum of 30% of the AVC and provide pricing commensurate with such decreased commitment. In the event that MCI and Customer fail to agree on such amendment within 30 days of Customer's written request, then this Agreement will remain in full force and effect and enforceable with its existing terms. This Section shall not apply during the first Contract Year of the Term, and thereafter may only be used one (1) time during the Term. Following the establishment by MCI of a revised AVC as set forth herein, the revised AVC shall replace the AVC throughout this Agreement and Customer shall remain liable for charges pursuant to this Agreement, including, without limitation, Underutilization Charges and Early Termination Charges, based on the revised AVC. Notwithstanding anything herein to the contrary, in the event of the establishment of a revised AVC, MCI may increase the rates provided and/or lower the discounts to Customer hereunder by sending at least 30 days prior written notice thereof to Customer.
24. **Notice.** All notices (including Customer's notice of disconnect), requests, or other communications (excluding invoices) hereunder shall be in writing and either transmitted via overnight courier, electronic mail, hand delivery or certified or registered mail, postage prepaid and return receipt requested to the parties at the following addresses. Notices will be deemed to have been given when received. Customer shall provide 30 days prior written notice for the disconnection of Service. Notwithstanding any such termination, Customer will remain liable for any applicable early termination charges set forth in this Agreement. Customer should contact its account representative or Customer Service if it does not receive confirmation of the disconnection from MCI within 5 business days.

To Customer	With a copy to:
HOSPITAL NETWORKS MANAGEMENT INC 15384	
AUSTIN, TX 78761	

MCI Service Agreement

To MCI Operation Center	With a copy to:
MCI 20855 Stone Oak Parkway San Antonio, TX 78258 Attn: Customer Service or via email to: notice@mci.com	MCI 22001 Loudoun County Parkway Ashburn, VA, 20147 Attn: Vice President and Chief Counsel, Business Transactions Department of Law and Public Policy

25. **Entire Agreement.** This Agreement (and any Attachments and other documents incorporated herein by reference) constitutes the entire agreement between the parties with respect to the Services provided under this Agreement and supersedes all other representations, understandings or agreements that are not expressed herein, whether oral or written specifically that certain MCI WorldCom On-Net Service Agreement between Customer and MCI, bearing Contract ID# 356921-02. Except as otherwise set forth herein, no amendment to this Agreement shall be valid unless signed by Customer and accepted by MCI.
26. **Additional Attachments:** This Agreement incorporates the following Attachment(s):
Services Attachment
27. **Technological Change.** If Customer is unable to satisfy the AVC solely as a result of a "Technological Change" (as defined below); and (ii) Customer certifies to MCI in writing that: (a) it has not substituted services provided by other vendors in place of the Services provided by MCI and (b) it is not able to substitute for such diminished MCI usage other communications services Customer obtains from other vendors, then MCI agrees to waive the application of Underutilization Charges, up to an amount equal to 30% of the AVC. For the purposes of this provision, "Technology Change" is a significant new technology-driven change which: (a) becomes available only after the Effective Date of this Agreement; (b) is deemed by Customer to be operationally or economically necessary for Customer; (c) is a substantial improvement over the functionality of the Services provided by MCI to Customer under this Agreement; if (d) MCI is unwilling or unable to make available to Customer a reasonable, functional equivalent of such Service within six months following the receipt of written notice by MCI from Customer of such change. This Section does not apply during the first Contract Year of the Term, and thereafter may only be used one (1) time during the Term.

MCI Service Agreement

Services Attachment

Voice Services

LONG DISTANCE SERVICE

I. Rates and Charges.

- A. **Intrastate Outbound, Inbound (Toll Free) and Calling Card Service.** Customer will pay the following per minute rates, which are fixed for the Term of this Agreement, for domestic intrastate outbound (based on origination type), inbound (toll free) usage (based on termination type), and calling card usage (based on switched origination). Other Long Distance rates and charges are set forth in the applicable Tariffs.

State	Rate Per-Minute		State	Rate Per-Minute	
	Switched & Card, as applicable	Dedicated & Local*		Switched & Card, as applicable	Dedicated & Local*
Alabama	\$0.0564	\$0.0388	Nebraska	\$0.0697	\$0.0498
Arizona	\$0.1168	\$0.0655	Nevada	\$0.0730	\$0.0531
Arkansas	\$0.1023	\$0.0698	New Hampshire	\$0.0962	\$0.0470
California	\$0.0476	\$0.0349	New Jersey	\$0.0639	\$0.0431
Colorado	\$0.0970	\$0.0548	New Mexico	\$0.1687	\$0.0803
Connecticut	\$0.0630	\$0.0531	New York	\$0.0766	\$0.0498
Delaware	\$0.0531	\$0.0464	North Carolina	\$0.0819	\$0.0559
Florida	\$0.0925	\$0.0440	North Dakota	\$0.1260	\$0.0640
Georgia	\$0.0635	\$0.0398	Ohio	\$0.0325	\$0.0250
Hawaii	\$0.1263	\$0.0833	Oklahoma	\$0.0962	\$0.0597
Idaho	\$0.1188	\$0.0558	Oregon	\$0.0663	\$0.0498
Illinois	\$0.0300	\$0.0250	Pennsylvania	\$0.0663	\$0.0431
Indiana	\$0.0325	\$0.0250	Rhode Island	\$0.0701	\$0.0365
Iowa	\$0.1140	\$0.0535	South Carolina	\$0.0697	\$0.0586
Kansas	\$0.0849	\$0.0531	South Dakota	\$0.1525	\$0.0776
Kentucky	\$0.0703	\$0.0531	Tennessee	\$0.0669	\$0.0464
Louisiana	\$0.0582	\$0.0388	Texas	\$0.0678	\$0.0464
Maine	\$0.0863	\$0.0431	Utah	\$0.0796	\$0.0531
Maryland	\$0.0730	\$0.0531	Vermont	\$0.0819	\$0.0484
Massachusetts	\$0.0635	\$0.0464	Virginia	\$0.0873	\$0.0505
Michigan	\$0.0300	\$0.0250	Washington	\$0.0908	\$0.0524
Minnesota	\$0.0859	\$0.0531	West Virginia	\$0.0908	\$0.0559
Mississippi	\$0.0582	\$0.0388	Wisconsin	\$0.0522	\$0.0300
Missouri	\$0.1290	\$0.0679	Wyoming	\$0.0670	\$0.0447
Montana	\$0.1091	\$0.0531			

*Indicates pricing, where applicable, for those Customers originating/terminating based upon call type for calls over MCI local service.

- B. **Interstate Outbound, Inbound (Toll Free) Service and Calling Card Service.** Customer will pay the following per minute rates, which are fixed for the Term of this Agreement, for domestic interstate outbound usage (based on origination type), inbound (toll free) usage (based on termination type) and calling card usage (based on switched origination). Other Long Distance rates and charges are set forth in the Guide Provisions for Voice Services.

Origination/Termination Type	Rate Per-Minute
Switched/Card	\$0.0515
Dedicated/Local Network Connection	\$0.0330

- C. **International Outbound, Inbound (Toll-Free) and Calling Card Service.** For International outbound and calling card service. Customer will pay the per minute rates, which are fixed for the Term of this Agreement, specified in the Guide provisions relating to Outbound Service (a Voice Service), including Card, usage that originates in the U.S. Mainland, Hawaii and U.S. Virgin Islands, and terminates to mobile telephone in international locations (based on origination type). Customer will pay an additional per-minute surcharge for calls that terminate to mobile telephones in international locations at the rates set forth in the Guide (where applicable). Customers will pay the per minute rates, which are fixed for the Term of this Agreement, specified in the Guide provisions relating International Toll Free Service usage which originates from the applicable international locations and terminates via switched, dedicated, or local terminations in the U.S. Mainland, Hawaii, and the U.S. Virgin Islands.

II. Discounts.

- A. **Interstate.** Customer will receive a discount off the Interstate rates listed above.

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Service Type	Discount off Per Minute Rate
Interstate Outbound Long Distance And Calling Card Usage	5.00%

Service Type	Discount off Per Minute Rate
Interstate Inbound (Toll Free) Usage	5.00%

- B. **International Outbound, Inbound (Toll Free) and Calling Card Service.** Customer will receive the following discount off the per minute rates listed in the Guide provisions relating to International Outbound, Inbound (Toll Free) and Calling Card service.

Service Type	Discount off Per Minute Rate
International Outbound Long Distance And Calling Card Usage	10.00%

Service Type	Discount off Per Minute Rate
International Inbound (Toll Free) Long Distance Usage	10.00%

MCI ADVANTAGE SERVICE

- I. **Rates and Charges.** MCI ADVANTAGE service is available in two forms: A LA CARTE and BUNDLED, as described below and in the Guide and Customer agrees to pay the current rates and charges described in those documents. MCI ADVANTAGE is not available in Hawaii or Alaska and may not be available in other states or regions.

- A. **A La Carte Service.** Customer agrees to pay the following rates and charges for MCI ADVANTAGE A LA CARTE Service. The charges for A LA CARTE Service do not include a router, gateway, access or Transport Service, phones, firewalls or any other services or equipment not explicitly described as part of the A LA CARTE Service. (Customer must purchase MCI Internet Dedicated or Private IP Service transport service only, for use with A LA CARTE Service).

1. **Simultaneous Calling Capacity Charge.** Customer will pay the following monthly simultaneous calling capacity charge, which is fixed for the Term of this Agreement, (based on whether Customer chooses local as well as domestic long distance calling) multiplied by the number of simultaneous calls Customer has selected (a minimum of two is required) Each such monthly charge includes the ability to make one outbound call at a time (either U.S. long distance or local, as applicable). All such calls must originate and terminate within the United States.

Service Type	MRC Per Simultaneous Call
Domestic LD and Local	\$40*
Domestic LD only	\$30**

*e.g. \$80 for the two-simultaneous-call minimum

**e.g. \$60 for the two-simultaneous-call minimum

2. **Optional Virtual Fx Service Simultaneous Calling Capacity Charge.** Customer will pay the following monthly simultaneous calling capacity charge, which is fixed for the Term of this Agreement, multiplied by the number of simultaneous calls Customer has selected. Virtual Fx allows a customer to receive inbound calls on a Direct Inward Dial number associated with a location outside the local exchange area for the Customer's physical location. Each such monthly charge includes the ability to receive one inbound local call at a time. Outbound calling is not supported from DIDs used for optional Virtual Fx Service. A separate charge described below applies for the DIDs themselves.

Service Type	MRC Per Simultaneous Call
Virtual FX Inbound Local	\$22

3. U.S. MCI ADVANTAGE to International PSTN calls shall be charged at the rates set forth in the Guide.
4. **Optional Local Service Features.** The optional local service features are charged at the rates set forth in the Guide.
5. **Direct Inward Dial service.** Customer may purchase Direct Inward Dial service ("DID") at the current rate of \$6.25 per month per block of 20 DID numbers plus an installation charge, currently \$5.00 per block of 20 DID numbers.
6. **Voicemail Boxes.** Customer may purchase voicemail boxes at the current rate of \$5 per box per month.
7. **Optional Network Features.** Customer will pay for the following optional network features at the rates, which are fixed for the Term of this Agreement, indicated below.

Optional Network Features(s)	MRC
Auto Attendant	\$30/instance*
Accounting and Authorization codes	\$10/customer*
Attendant Console	\$20/configured user
Remote Office	\$10/configured user
Additional feature profiles beyond simultaneous calling capacity	\$5/profile

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* With respect to the Auto Attendant feature, "instance" means each menu of options that a caller may choose to access. Each separate listing of touch tone options presented to a caller is considered a separate menu.

8. In addition to the fees set forth above, Customer will pay the applicable fees (which are not covered here) for access, Transport Service (e.g., port and permanent virtual circuit charges) as well as the costs of CPE, such as phones, routers or firewalls.
 9. **Dispatch Charge.** Customer will pay a dispatch charge currently \$250 for each occasion in which MCI dispatches a technician to make a Customer-requested change or adjustment in MCI ADVANTAGE (unless required to accommodate the addition of new services).
- B. **Bundled Service.** Customer agrees to the following charges for BUNDLED Service, based on the transport service (either Internet DSL or Internet Dedicated), router option (standard or upgraded), and simultaneous calling capacity selected. In addition, Customer may order optional Bundled Internet Dedicated Shadow T1 Service (available only if the upgraded router option is selected for the transport service), to back up Customer's primary Bundled transport Service, for the monthly recurring base charge indicated below. The monthly recurring base charge applies to each bundle at each Customer location and includes the selected Bundled transport service (including Shadow T1, if applicable), the applicable MCI ADVANTAGE Service Equipment, local access and unlimited outbound U.S. long distance and local calling (subject to the simultaneous calling capacity selected) over the applicable Bundled service. Each bundle is limited to the capacity of the transport service selected (either 384Kbps, 768 kbps or 1.5 Mbps) and to the simultaneous calling capacity available and selected for that transport service (for example, up to a maximum of 41 simultaneous calls on a 1.5 Mbps T1). When in use, Bundled Internet Dedicated Shadow T1 Service uses the MCI Service Equipment included with Customer's primary Bundled Internet Dedicated Service). The capacity of the Ethernet switch provided as a part of BUNDLED Service (whether standard or upgraded) is based on the simultaneous calling capacity selected. (Additional capacity must be purchased separately.) The charges for BUNDLED Service do not include optional IP phones, external firewalls, gateways for use with a digital PBX, or any other services or equipment not explicitly described as part of BUNDLED Service.
1. **Base Charge.** Customer will pay the following monthly base charges, which are fixed for the Term of this Agreement, depending on the speed of the Bundled transport service selected. This charge includes the selected Internet Dedicated or Internet DSL Service(s) and the applicable MCI ADVANTAGE Service Equipment.

Bundled Transport Service	MRC
Internet DSL Office 384 kbps	\$200
Internet DSL Office 768 kbps	\$250
Internet Dedicated Tiered 768 kbps with standard router	\$900
Internet Dedicated Tiered 768 kbps with upgraded router	\$1,000
Internet Dedicated Price Protected T1 (1.5Mbps) with standard router	\$1,000
Internet Dedicated Price Protected T1 (1.5Mbps) with upgraded router	\$1,100
Optional Internet Dedicated Shadow T1 (1.5 Mbps)	\$800

These charges do not include the following charges related to Bundled transport service. Except where explicitly stated otherwise, these charges apply to both Internet Dedicated and to Internet DSL Office service:

- a. After hours installation fee of \$500 for installation requested outside the hours of 8AM and 8PM ET Monday through Friday (excluding holidays).
 - b. Missed installation appointment fee of \$99 for missed installation appointments when a technician is dispatched and cannot complete an installation because Customer: (i) does not make the appointment; (ii) requests rescheduling or cancels upon arrival; or (iii) has not arranged for access to the telephone box or Network Interface Device ("NID") and it is inaccessible -- to avoid the missed appointment fee, Customer must reschedule at least 2 business days before the scheduled appointment time. Internet Dedicated Services also are subject to any other charges and terms set forth in the Guide.
 - c. A retermination fee of \$450 for relocation of a local loop used to provide access to MCI ADVANTAGE.
 - d. For Internet Dedicated service only, an expedited service fee of \$850 per circuit for expedited provisioning. This fee applies whether or not the circuit is provisioned by MCI or by another local exchange carrier.
 - e. For Internet Dedicated service only, a pre-installation fee of \$500 per circuit for cancellation of service after the order is accepted by MCI but before circuit installation.
 - f. For Internet Dedicated service only, a network connection fee of \$200 for instances in which Customer provides the local loop used to provide access to the service.
 - g. Network application fees for domain name, mail, new services, and other network applications. See the Network Application Fee Schedule at www.mci.com/terms.
2. **Simultaneous Calling Capacity Charge.** Based on the total simultaneous calling capacity Customer has selected (minimum of two is required), Customer will pay the following monthly capacity charge, which is fixed for the Term of this Agreement, multiplied by the simultaneous number of calls Customer has selected. Each such charge includes the ability to make one outbound U.S. long distance or local call at a time. All such calls must originate and terminate within the United States.

Charge Type	MRC Per Simultaneous Call
Simultaneous Calling Capacity Charge	\$40*

*e.g. \$80 for the two-simultaneous-call-minimum

3. **Outbound Off-Net International Calling.** U.S. MCI ADVANTAGE-to-International PSTN calls are charged at the rates set forth in the Guide.
4. **Optional Local Service Features.** The optional local service features are charged at the rates set forth in the Guide.
5. **Direct Inward Dial service.** Customer may purchase Direct Inward Dial service ("DID") at the current rate of \$6.25 per month per block of 20 DID numbers plus an installation charge, currently \$5.00 per block of 20 DID numbers.
6. **Voicemail Boxes.** Customer may purchase voicemail boxes at the current rate of \$5.00 per box per month

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7. **Installation Charge.** An installation charge, currently \$250 will be charged for each Internet Dedicated bundle at each location. An installation charge, currently of \$150, will be charged for each DSL bundle at each location.
8. **Optional Network Features.** Customer will pay for the following optional network features at the rates, which are fixed for the Term of this Agreement, indicated below.

Optional Network Feature(s)	MRC
Auto Attendant	\$30/instance*
Accounting and Authorization codes	\$10/customer
Attendant Console	\$20/configured user
Remote Office	\$10/configured user
Additional feature profiles beyond simultaneous calling capacity	\$5/profile

* With respect to the Auto Attendant feature, "instance" means each menu of options that a caller may choose to access. Each separate listing of touch tone options presented to a caller is considered a separate menu.

9. **Optional Switch Capacity.**
- a. **Analog Gateway.** The monthly base charge for BUNDLED service covers Service Equipment sufficient for a number of analog gateway ports equal to the simultaneous calling capacity selected. Customer will pay an additional monthly recurring charge for any analog gateway capacity needed to support additional end-users (the "Extra Analog Gateway MRC"). The Extra Analog Gateway MRC is \$60 for each block of four additional end-users to be supported above the simultaneous calling capacity selected.
- b. **Ethernet Switch for Upgraded Router.** If Customer selects one of the types of Bundled transport service which includes an upgraded router as indicated above, Customer also will pay an additional \$50 MRC for an optional Ethernet Switch, supporting up to 48 ports, used in connection with Bundled Internet Dedicated service.
10. **Dispatch Charge.** Customer will pay a dispatch, currently \$250 for each occasion in which MCI dispatches a technician to make a Customer-requested change or adjustment in MCI ADVANTAGE (unless required to accommodate the addition of new services).
- C. **Audioconferencing and Net Conferencing:**
- a. **Audioconferencing.** Customer will pay the following per-minute per-bridge port rates, which are fixed for the Term of this Agreement, for Audioconferencing service only, where it is accessed exclusively using MCI ADVANTAGE, covering calls that originate in the U.S. Mainland and terminate in the U.S. Mainland, Alaska, Hawaii, Puerto Rico and the U.S. Virgin Islands. Except as noted below charges are inclusive of both bridging and audioconferencing transport. (MCI ADVANTAGE charges are not included and will also apply.) Customer is responsible for all other charges associated with domestic Audioconferencing at standard rates, which are described in the Guide.

Level	Domestic Audioconferencing Service Type	Rate Per Minute
Premier	Dial Out Access	\$0.600
Premier	Toll-Free Meet-Me	\$0.600
Premier	Toll Meet-Me Access (bridging only)	\$0.560
Standard	Standard Level Dial Out Access	\$0.500
Standard	Standard Level Toll-Free Meet-Me Access	\$0.500
Standard	Standard Level Toll Meet-Me Access (bridging only)	\$0.460
Unattended	Toll-Free Meet-Me Access	\$0.155
Unattended	Toll Meet-Me Access	\$0.115
Instant Meeting	Dial Out Access	\$0.155
Instant Meeting	Toll-Free Meet-Me	\$0.155
Instant Meeting	Toll Meet-Me Access (bridge only)	\$0.115

- b. **Net Conferencing.** Customer will pay the following per minute rates, which are fixed for the Term of this Agreement, for Net Conferencing only, where it is accessed exclusively through MCI ADVANTAGE. (MCI ADVANTAGE charges are not included and will also apply.) The Net Conferencing services provided under this Service Attachment are described in the Guide. Customer is responsible for all other charges associated with Net Conferencing at standard rates, which are described in the Guide.

Service Type	Rate Per Minute
Net Conferencing without Secure Socket Layer (SSL)	\$0.35
Net Conferencing with SSL	\$0.45

- II. **Discounts.** Customer will receive the following discount percentage off the standard monthly recurring simultaneous capacity charge and the base charge for BUNDLED service, if applicable.

Service Type	Discount off Monthly Recurring Charge
MCI Advantage	10.00%

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- A. **Emergency Calling Services.** MCI ADVANTAGE will enable Customer to access an appropriate public safety answering point ("PSAP") by dialing 911 only in locations where such 911 calling is available and only under the limited circumstances described below ("Emergency 911 Service"). Customer is responsible for complying with all applicable emergency 911 calling service laws. In all cases, MCI ADVANTAGE cannot support the delivery of the caller's station level phone number and specific station location. Furthermore, much like access to Emergency 911 Service via traditional PSTN local service, access to a PSAP will be unavailable if Customer's access circuits or local gateway fails. Customer will notify all end-users of MCI ADVANTAGE that 911 access to an appropriate PSAP is not available using a Mobile SIP phone and that 911 access to a PSAP is limited as described in this section when using a Fixed SIP phone or a traditional, non-SIP phone. Because the location of a Mobile SIP phone (ie. A phone which may be used in more than one location) user cannot reliably be determined from its billing telephone number (which is how 911 calls ordinarily are routed to the appropriate local PSAP), 911 calls from a Mobile SIP phone cannot be routed to the appropriate PSAP. **As a result, when 911 is dialed on a Mobile SIP phone, the call will be blocked.** When 911 is dialed on a fixed SIP phone (ie. One provisioned and used in a fixed, identified location), or a traditional, non-SIP (i.e. Standard) phone, the call will be routed to the appropriate PSAP based on the billing telephone number assigned to the phone. If moved to a new fixed location, a Fixed SIP phone may need to be reconfigured in order for a 911 call to be routed to the appropriate PSAP.
- B. **Disclaimer of Certain Damages.** With respect to Emergency 911 Service: This service is offered solely as an aid in contacting an appropriate PSAP in connection with fire, police and other emergencies. MCI is not responsible for any losses, claims, demands, suits or any liability whatsoever ("Losses"), including without limitation (a) Losses to or relating to Customer or a third party, (b) losses for any personal injury, or property damage or loss, (c) Losses claimed to have been caused by: (1) mistakes, omissions, interruptions, delays, errors or other defects in the provision of emergency 911 service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of any equipment and facilities furnishing MCI ADVANTAGE. MCI is also not responsible for any infringement or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of emergency 911 service and the equipment associated with it, or by any services furnished by MCI including, but not limited to, the identification of the telephone number, address or name associated with the phone used by the party or parties accessing emergency 911 service, and which arise out of the negligence or other wrongful act of MCI, customer, its users, agencies or municipalities, or the employees or agents of any one of them.
- C. **Service Disclaimer.**
1. **MCI ADVANTAGE may be interrupted or degraded by certain conditions.** For example (without limitation), MCI ADVANTAGE relies on Customer's Domain Name Server ("DNS Server") and local area network ("LAN"); MCI will not be responsible if Customer's DNS Server or LAN fails or performs poorly. Network-related outages also may occur, and service restoration intervals may vary from those associated with traditional telecommunications service. **Communications from analog modems may have protocol interaction issues when used over VOIP technology (due to their handshake and error-checking rules) and cannot be assured of the same quality as other communications; MCI ADVANTAGE is provided without any warranty whatsoever with respect to modems.** Modems may not be used on MCI ADVANTAGE except with Codec G.711 without silence suppression. **Alarm lines (whether or not they use modems) are wholly unsupported on MCI ADVANTAGE (with respect to both service and wiring, without limitation).** Customer will be responsible for all inside wiring and special construction charges. Customer understands that use of MCI ADVANTAGE is restricted in the following manner: (i) For each Customer location, up to 2 T-1 lines may be utilized (each of which must be purchased as part of a separate bundle); (ii) At any given time, Customer may only place as many concurrent calls as it has purchased; (iii) Customer may not modify the MCI installed design and/or configuration without the previous written consent of MCI; (iv) Customer may not utilize auto-dialers or any similar type of device in connection with MCI ADVANTAGE; (v) Customer may not utilize MCI ADVANTAGE in any call center environment or in connection with any similar such application; and (vi) Customer may not use MCI ADVANTAGE for telemarketing, fax broadcasting, fax blasting, or continuous or extensive call forwarding. **Customer expressly acknowledges that any violation of the foregoing restrictions on its use of MCI ADVANTAGE will result in the immediate termination of services.**
- D. **Additional Terms and Conditions For Bundled Service.** BUNDLED Service is subject to the following additional terms and conditions. MCI may interrupt Bundled DSL or Internet Dedicated Services for scheduled or emergency maintenance or as otherwise set forth in the Agreement. DSL local loop connections between Customer's location and MCI will be arranged by MCI, and are provided through a local exchange carrier. Customer authorizes MCI to act as its agent with respect to the ordering, installing, monitoring, testing, repairing, and performing all related activities regarding the local exchange carrier and the DSL local loop connection. Internet DSL Office may be unavailable in any particular location, even after being ordered. Service availability and speed level cannot be determined until a technician visits the site and performs installation tests. If Internet DSL Office is not available (either entirely or at the speed level ordered) after being ordered, the order will be deemed canceled. If Internet DSL Office is available at a lower speed level, customer may reorder the service at the new speed level. Once in service, DSL Office may be interrupted as a result of various circumstances, including those involving the local exchange carrier, over which MCI may have limited control. In particular, the resolution of a local loop interruption may be delayed if local exchange carrier support is not available or effective.
- E. **MCI ADVANTAGE Service Equipment.**
1. **General.** At all times, title to any equipment provided by MCI as part of MCI ADVANTAGE ("MCI ADVANTAGE Service Equipment") will never pass to Customer. Customer shall maintain the MCI ADVANTAGE Service Equipment and any associated software, systems, cabling and facilities in accordance with the reasonable instructions of MCI as may be given from time to time; (b) not modify, relocate, or in any way interfere with the MCI ADVANTAGE Service Equipment unless expressly authorized by a representative of MCI to do so; and (c) not cause the MCI ADVANTAGE Service Equipment to be repaired, serviced, or otherwise accessed except by an authorized representative of MCI. Failure of Customer to permit MCI representatives entry, upon reasonable request, to Customer premises or service locations to repair or maintain MCI ADVANTAGE or equipment will discharge MCI from its service obligation. Upon termination or expiration of this Agreement, Customer will return the MCI ADVANTAGE Service Equipment to MCI at MCI's expense in the manner set forth in the Guide.

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2. **Maintenance.** With respect to the MCI ADVANTAGE Service Equipment only, MCI will provide the following maintenance services ("Maintenance Services"): (i) Use commercially reasonable efforts to isolate any problems with the MCI ADVANTAGE Service Equipment that resides on the customer site and send a technician to the customer site if necessary; (ii) If MCI, in its sole discretion, determines that any MCI ADVANTAGE Service Equipment that resides on Customer's premise needs to be replaced, such component will be replaced with a component in good working order and of like kind and functionality from a manufacturer of MCI's choice at the time of replacement ("Exchange Component"). Maintenance Services only apply to problems arising out of the normal use of the MCI ADVANTAGE Service Equipment and do not apply if the MCI ADVANTAGE Service Equipment is damaged as a result of the negligence or willful misconduct of Customer. If repair and/or replacement is required because of damage caused by Customer's negligence or willful misconduct, Customer will be charged time at a rate of \$125 per hour to repair the MCI ADVANTAGE Service Equipment, and Customer will be charged the replacement cost of MCI ADVANTAGE Service Equipment.
- F. **No Resale.** MCI ADVANTAGE is provided only to Customer. Resale or use by another organization is prohibited.
- G. **Customer Responsibilities.** In addition to the other obligations of Customer contained in this Service Attachment and the Agreement, Customer will be responsible for the following obligations:
1. **Customer-Obtained Facilities.** Except as otherwise expressly stated herein, Customer is responsible for obtaining, installing, configuring and maintaining all equipment (including, but not limited to, SIP Phones, gateways and firewalls), software, wiring, power sources, telephone connections and/or communications services necessary for inter-connection with MCI's network or otherwise for use in conjunction with MCI ADVANTAGE ("Facilities"). Customer is responsible for ensuring that such Facilities are compatible with MCI's requirements (including being certified for use with MCI ADVANTAGE where applicable), and that they continue to be compatible with subsequent revision levels of MCI-provided equipment, software and services. Customer is responsible for operation and configuration of its computer(s) and LAN/WAN. If Customer connects any Facilities to MCI ADVANTAGE that Customer reasonably should know may not be compatible with MCI ADVANTAGE, Customer is solely responsible for any effects that arise from that connection on MCI ADVANTAGE, equipment or software of MCI, Customer, or any third party, and Customer waives any claims against MCI relating to the performance of MCI ADVANTAGE.
 2. **Security.** Use of MCI ADVANTAGE, like other network-based services, carries certain security risks to the systems and networks of Customer, MCI and third parties including, but not limited to: misuse, unauthorized access; alterations; theft; destruction; corruption; and attacks ("Occurrences"). Customer shall, at its own expense, take security measures, including but not limited to use of firewalls, passwords, access restrictions, encryption, policies, and physical access restrictions ("Security Measures") to protect from Occurrences all MCI ADVANTAGE traffic, Facilities and other equipment, software, data and systems located on Customer's premises or otherwise in Customer's control and used in connection with MCI ADVANTAGE, whether owned by Customer, MCI or MCI's subcontractors, **Customer agrees that MCI is not liable, in contract, tort, or on any other basis, for any loss resulting from any Occurrences or use of such MCI ADVANTAGE traffic, Facilities, or other equipment, software, data and systems. Customer is responsible for all Security Measures, even if Customer uses a third party (or MCI) to configure and implement them.**
- H. **SLA.** MCI reserves the right to amend SLAs from time to time, effective upon either posting of the revised SLA to that URL or providing other notice to Customer. These SLAs set forth Customer's sole remedies for any claim relating to MCI ADVANTAGE (including the Internet Dedicated or Internet DSL Office service), including any failure to meet the conditions set forth in these SLAs. MCI's records and data are the basis for all SLA calculations and determinations. Under these SLAs, the maximum amount of credit available to Customer for any calendar month shall not exceed the following: (a) for A LA CARTE service, the monthly simultaneous calling charge plus the applicable monthly recurring fee for the related Internet Dedicated or Internet DSL Office service under the related MCI service agreement; or (b) for BUNDLED Service, the applicable monthly base charge and simultaneous calling charge that, absent the credit, would have been charged for the BUNDLED Service under this Agreement.

Conferencing Services

AUDIOCONFERENCING AND NET CONFERENCING SERVICE

- I. **Rates and Charges.** The audioconferencing and net conferencing services provided pursuant to this Attachment ("Audioconferencing" and "Net Conferencing" services) are governed by the Guide provisions relating to Audioconferencing and Net Conferencing service (for Net Conferencing, see the Audioconferencing provisions of the Guide) for MCI Business Services II, as supplemented by this Attachment and the related Agreement.
- A. **Audioconferencing.** Customer will pay the following per-minute per-bridge port rates, which are fixed for the Term of this Agreement, for Audioconferencing service covering calls that originate and terminate in the U.S. Mainland, Alaska, Hawaii, Puerto Rico and the U.S. Virgin Islands. Except as noted below charges are inclusive of both bridging and transport. Customer is responsible for all other charges associated with domestic Audioconferencing at standard rates, which are described in the Guide.

Level	Domestic Audioconferencing Service Type	Rate Per Minute
Premier	Dial Out Access	\$0.6000
Premier	Toll-Free Meet-Me	\$0.6000
Premier	Toll Meet-Me Access (bridging only)	\$0.5600
Standard	Standard Level Dial Out Access	\$0.5000
Standard	Standard Level Toll-Free Meet-Me Access	\$0.5000
Standard	Standard Level Toll Meet-Me Access (bridging only)	\$0.4600
Unattended	Toll-Free Meet-Me Access	\$0.1550
Unattended	Toll Meet-Me Access	\$0.1550
Instant Meeting	Dial Out Access	\$0.1150
Instant Meeting	Toll-Free Meet-Me	\$0.1550
Instant Meeting	Toll Meet-Me Access (bridging only)	\$0.1150

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- B. **Net Conferencing.** Customer will pay the following per minute rates for Net Conferencing. The Net Conferencing services provided under this Service Attachment are described in the Guide.

Service Type	Rate Per Minute
Net Conferencing without Secure Socket Layer (SSL)	\$0.35
Net Conferencing with SSL	\$0.45

- II. **Discounts.** Customer will receive the following discount percentage, off the Audioconferencing and Net Conferencing rates listed in the Guide. Discounts do not apply to any charges, if applicable, for Operator Hosting (without limitation) and Seat-Based pricing.

Service Type	Discount off Rate Per Minute
Audioconferencing and Net Conferencing	20.00%

VIDEOCONFERENCING SERVICE

- I. **Rates and Charges.** The videoconferencing services provided pursuant to this Attachment ("Videoconferencing Services") are governed by the Guide provisions relating to Videoconferencing (for Videoconferencing see Guide provisions for Voice Services, Switched Digital Service), for MCI Business Services II as supplemented by this Attachment and the related Agreement. Customer will pay the rates indicated below, which are fixed for the Term of this Agreement, for Videoconferencing Service. Customer is responsible for all other charges associated with Videoconferencing Service at standard rates.

- A. **Port Usage.**

Charge Type	Per Minute Rate Per Site
Port Usage	\$1.00

- B. **Transport.** Transport for Videoconferencing Service is based upon Customer's site location.

Location	112/128 Kbps Per Minute Rate Per Site
Service Region 1	\$0.40
Service Region 2	\$0.40
Service Region 3	\$0.40
Service Region 4	\$4.00

- C. **Premier Service.**

Service	Per Minute Rate Per Call
Premier Service	\$1.50

- D. **Transcoding.**

Service	Per Minute Rate Per Site
Transcoding	\$0.75

- E. **Conference Room Scheduling.**

Service	Per Month Rate Per Room
Conference Room Scheduling	\$100.00

- F. **Streaming Services.**

1. **Video Streaming.** Video Streaming Service provides Customer with a way to host a one-to-many broadcast event using videoconferencing equipment and service. Video Streaming Service provides a means for Customer to disseminate Customer's live video stream for up to three hours, reaching up to 500 participants. All video streams are at either the rate of 56 Kbps or 100 Kbps and priced at a flat rate per participant plus the number of ports on Customer's videoconference bridge and the normal cost of a Premier level Videoconference Service call. Video is included at the flat rate for the Video Streaming Service and available approximately one hour after the live event and ends after 30 days. Each video streaming event includes assistance from a MCI Conferencing Coordinator.

Number of Live Participants	Charge
1-500	\$7,500

2. **Audio Streaming.**

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Number of Live Participants	Charge
1-4	\$775
5-10	\$800
11-25	\$850
26-50	\$900
51-250	\$1,000
251-500	\$1,500
501-2000	\$2,000

Replay	Charge
Up to 30 days after live event.	\$700

Network Access Services

NETWORK ACCESS

- I. **Rates and Charges.** Monthly recurring charges ("MRC") and one-time charges related to the Access Service are set forth in the Guide provisions relating to MCI Business Services II.
- II. **Discounts.** Customer will receive the following discount percentage off the MRC listed in the Guide for the following types of Access.

Service Type	Discount off MRC
Access DS0	8.00%
Access DS1	15.00%
Access DS3	15.00%

- III. **Special Pricing.**
- A. **Dedicated Access Service (Option 1).** Customer will pay the following monthly recurring local loop charge for DS1 access based on NPA/NXX. This rate is in lieu of all other rates and discounts, including the MBSII rates and discounts set forth in this Agreement and shall remain fixed for the Term.

NPA/NXX	Monthly Recurring Charge
979/865	\$1,039.78
940/872	\$1,056.40
806/637	\$1,134.75
806/447	\$2,163.35
979/725	\$1,224.15
432/283	\$2,882.30
325/597	\$1,169.85
903/655	\$821.17
325/446	\$1,246.15
903/983	\$588.95
806/385	\$1,120.02
361/798	\$2,116.60
325/387	\$1,093.55
254/729	\$948.58
903/756	\$1,082.95
432/652	\$1,233.10
806/872	\$1,552.75
325/728	\$1,395.08
940/825	\$1,100.00
830/583	\$1,258.75
325/884	\$1,103.08
432/447	\$1,718.71
512/756	\$885.90
979/548	\$946.78
903/577	\$1,115.30
432/586	\$1,203.65
940/626	\$626.53
361/293	\$1,939.90
903/799	\$732.90
979/732	\$1,245.93

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254/865	\$1,307.96
806/675	\$1,115.75
830/876	\$1,479.63
830/334	\$1,170.40
254/897	\$1,098.79
979/245	\$1,142.05
940/759	\$928.31
936/569	\$795.50
806/250	\$1,336.18
432/336	\$1,615.95
432/523	\$953.30
361/526	\$938.60
956/487	\$1,037.69
830/775	\$2,596.04

- IV. **Terms and Conditions.** The MCI access services ("Access Service") are provided pursuant to the Guide, as supplemented by this Attachment and the related Agreement.

Internet Access Services

INTERNET DEDICATED SERVICE

- I. **Rates and Charges.** Customer will pay the monthly recurring Charges ("MRC"), which are fixed for the Term of this Agreement, for Internet Dedicated Services (includes Internet Dedicated T1 Service), ("Internet Dedicated Service") and attendant options are listed, as applicable, in the Pricing Schedule(s) set forth below. Additional charges are also set forth below. Prices below are for Internet Dedicated Service in the contiguous United States.

- A. **Internet Dedicated T1 Service**
 1. **T1 Ports**

Service Type	Start-up Fee	MRC
0 – 128 Kbps Burstable T1	\$100	\$485
128.01-256 Kbps Burstable T1	\$100	\$565
256.01- 384 Kbps Burstable T1	\$100	\$635
384.01- 512 Kbps Burstable T1	\$100	\$725
Over 512 Kbps Burstable T1	\$100	\$850
Tiered 768 Kbps	\$100	\$620
Price-Protected T1	\$200	\$715
Diverse T1	\$200	\$1,425
Double T1	\$200	\$1,425
Shadow T1**	\$50	\$285
ISDN Back-up (128 Kbps)*	\$395	\$149
QoS Options		
QoS For Burstable/Tiered/Price Protected T1	\$100	\$100
QoS for Double/Diverse T1	\$200	\$200
QoS for Shadow T1	\$100	\$0

* ISDN lines are not discountable and must be ordered by Customer.

** Shadow Service is only available with an equivalent primary Service (e.g., Shadow T1 is available only with T1 Service).

2. **Equipment Schedule (Equipment is available for purchase only with MCI Internet Dedicated T1 Service)**

Item	Price
Cisco 1721 router single T1	\$1,418
Cisco 1721 router with ISDN back-up	\$1,867
Cisco 1721 router tiered 768k	\$1,418
Cisco 2620XM router	\$2,110
Cisco 2620XM router with ISDN Back-up	\$2,558
Cisco 2620XM router for Dual/Diverse T1	\$2,750
Cisco 2621XM router	\$2,622
Cisco 2621XM router with ISDN Back-up	\$3,070
Cisco 2621XM router for Dual/Diverse T1	\$3,262
Tasman 1004 with BGP Single T1 Silver Support	\$999

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Efficient Se5940 router	\$601
Cisco Aironet 1100 WiFi Access Point - WLAN	\$383
Cisco Aironet 350 WiFi PCMCIA Adapter - WLAN	\$108
Cisco Aironet 1100 WiFi PCI Adapter - WLAN	\$191

3. Relocation/Retermination Fee: \$450

- B. **Installation.** Installation may be scheduled between the hours of 8AM and 7PM ET Monday through Friday (excluding holidays). If Customer requires installation outside of these hours, MCI will charge an additional \$500 fee.
- C. **Telco Access Charges.** Telco line access ("local loop") circuit charges are separately priced and may be found in the Access portion of the Guide. If Customer orders its own local loop circuits, MCI's Network Connection Charge - also set forth in the Guide - shall apply.
- D. **Expedited Service Fee.** At Customer's request, MCI will request expedited service from the telco. Customer shall pay an expedited service fee of \$900 per circuit for all expedited telco provisioning.
- E. **Cancellation Prior to Installation.** A \$500 per-order charge applies to orders for installation of Internet Dedicated Service which are cancelled by the Customer after submission to MCI and prior to installation of Internet Dedicated Service.

II. Discounts. Customer will receive the following discounts off the MRC set forth above, except as otherwise specified.

Service Type	Discount off MRC
Internet Dedicated T1	20.00%

III. Special Pricing.

- A. **Internet Dedicated Service.** Customer will receive the following fixed discount off the monthly recurring MBSII charge for Internet Dedicated Service based on Service Type. This discount is in lieu of all other discounts, including the MBSII discount set forth in this Agreement.

Service Type	Discount
Price Protected T1	13%
Tiered T1 - 768 kbps	23%
Burstable T1	48%

IV. Terms and Conditions

- A. The Internet Dedicated Services ("Internet Dedicated Service(s)") provided pursuant to this Attachment are governed by the Guide provisions relating to Internet Dedicated Service, as supplemented by this Attachment and the related Agreement. Pricing for ATM-to-IP, Frame-to-IP, and Integrated Internet Access (collectively, "Internet Service Options") are also included, as applicable, in the Pricing Schedule attached hereto.
- B. **Access.** Access to a router at an MCI Network hub near Customer's site may be interrupted for (i) scheduled maintenance (usually scheduled during off-hours at an MCI hub, such as Tuesdays and Thursdays between 3:00 AM and 6:00 AM local time), (ii) emergency maintenance, or (iii) as otherwise set forth in the Agreement.
- C. **MCI Internet Dedicated GigE Services.** MCI's Internet Dedicated GigE Service is an intra-building connectivity product, and thus the Customer's demarcation point must reside within the same building as a GigE-qualified MCI-owned network hub. To ensure proper installation, MCI will order all telco lines within the telco facility where the MCI hub is located.
- D. **Customer Obligations - Service Not To Be Resold.** While Customer can resell Internet connectivity, Customer cannot resell the Internet Dedicated Service in its entirety to another person or entity without the express prior written consent of MCI. If Customer resells Internet connectivity to end users, Customer is responsible for: (i) providing the first point of contact for end user support inquiries; (ii) providing software fulfillment to end users; (iii) running its own primary and secondary domain name service DNS for end users; (iv) registering end users' domain names; (v) using BGP routing to the MCI Network, if requested by MCI; (vi) collecting route additions and changes, and providing them to MCI; and (vii) registering with the appropriate agency all IP addresses provided by MCI to Customer that are allocated to end users.
- E. **Burstable Downgrade.** Customer may downgrade to a lower Burstable Service level if Customer's Measured Use Level is at or below such Burstable Service level for at least two consecutive months and Customer thereafter requests the downgrade in writing.
- F. **Burstable Select Upgrades/Downgrades.** Customer may change (upgrade or downgrade) its Burstable Select Service Level once within a given calendar month, by requesting the same in writing. The new Service Level and applicable charges will take effect on the first day after the end of the billing cycle during which the written request is received.
- G. **Term/Early Termination.** The "Service Activation Date" for an Internet Dedicated Service ordered hereunder will be the date the Internet Dedicated Service is available to route IP packets at Customer's site. The term of any Internet Dedicated Service ordered hereunder shall commence upon the Service Activation Date and will automatically renew, expire and terminate according to the terms of the Agreement.

INTERNET DSL AND CABLE SERVICES

- I. **Rates and Charges.** Customer will pay the monthly recurring charges ("MRC") set forth below, which are fixed for the Term of this Agreement, as well as applicable one-time charges set forth below. These and other rates and charges related to the DSL and Cable Service are also set forth in the Guide.

A. Service Fees

Service/Options	Start-up Charge	MRC
Internet DSL Solo 384	\$0	\$50
Internet DSL Solo 768 Kbps	\$0	\$69

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Internet DSL Solo 1.5 Mbps	\$0	\$89
DSL Solo Resale	\$0	\$99
Internet DSL Office 128 Kbps	\$0	\$120
Internet DSL Office 384 Kbps	\$0	\$160
Internet DSL Office 768 Kbps	\$0	\$200
Internet DSL Office 1 Mbps	\$0	\$240
Internet DSL Office Enhanced 384 Kbps	\$0	\$349
Internet DSL Office Enhanced 768 Kbps	\$0	\$399
Internet Cable Resale	\$0	\$199

B. Customer Equipment

Item	Price
DSL Solo 384 Kbps Modem	\$100
DSL Solo 788 Kbps/1.5 Mbps/Resale Modem	\$200
DSL Office Modem/Bridge	\$286
DSL Office Router	\$320
DSL Office Enhanced Router	\$650
Cable Resale Router	\$200

C. Additional IP Addresses

1. DSL Solo 768K/1.5M/Resale:

Charge Type	No. of Static IP Addresses						
	2	6	14	30	62	126	254
MRC	\$10	\$15	\$20	\$35	\$45	\$65	\$100

2. Cable Resale:

Charge Type	No. of Static IP Addresses	
	5	10
MRC	\$45	\$90

D. Other Fees

Fee Type	Fee
Professional Installation (DSL Solo 768 Kbps & 1.5 Mbps only)	\$400
Professional Installation (Customer initiated Trouble Ticket Dispatch) - DSL Solo 384 Kbps only	\$199
Non-Standard Hours Installation (DSL Office and DSL Office Enhanced only)	\$500
Extended Installation (Cable only) Installation requiring more than two (2) hours of technician time ("Extended Installation") will be billed at an hourly rate (in 15-minute minimum intervals) and will include necessary cable wiring	\$80/hour
Missed Appointment	\$99
Relocation/ Re termination (DSL Office and DSL Office Enhanced only)*	\$450

* For DSL Solo and Cable Resale services which can be relocated only by ordering new Service and disconnecting the old Service.

II. Terms and Conditions

- A. MCI's Internet DSL Solo, Internet DSL Office, DSL Office Enhanced and Internet Cable Resale services provided pursuant to this Attachment (individually "DSL Solo", "DSL Office", "DSL Office Enhanced" and Internet Cable Resale" and collectively "DSL and Cable Service" or "Service") are governed by the Guide provisions relating to Internet DSL Services, as supplemented by this Attachment and the related Agreement.
- B. **Description of Service.** DSL Service provides Internet access via Digital Subscriber Line ("DSL") and Cable broadband technologies. MCI may interrupt the Service for scheduled or emergency maintenance or as otherwise set forth in the Agreement. Customer is responsible for the operation and configuration of its own Local Area Network, or computer, as applicable. DSL Solo, DSL Office, DSL Office Enhanced and Internet Cable are described in the provisions of the Guide relating to Internet DSL Services.
- C. **Service Activation Date/Term.**
 1. **Service Activation Date.** The Service Activation Date for a Service ordered hereunder will be the date MCI notifies Customer that the DSL local loop connection is available to route IP packets at Customer's site.
 2. **Term.** The duration ("Term") of any Service ordered hereunder will automatically renew, expire and terminate according to the terms of the Agreement. Notwithstanding the preceding, by ordering this Service, Customer is committed to a minimum 12-month Service Term per order for the Service, commencing upon the Service Activation Date.

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3. **Early Termination.** If the Agreement terminates or expires prior to the expiration of this minimum Service Term, this Service Attachment shall continue in full force and effect under the terms and conditions of the Agreement for the longer of the minimum Service Term or the Service Term otherwise agreed to by Customer. If Customer terminates Service before the end of the 12-month minimum Service Term (or longer committed Service Term) for reasons other than Customer termination for Cause, Customer will pay an amount equal to 75% of the MRC for the discontinued Service multiplied by the number of months remaining in the unexpired portion of the 12-month commitment or committed Service Term, plus a pro rata portion of any and all credits received by Customer, in addition to any amounts owed for Service already received.
- D. **Available Service Options:**
1. **Customer Equipment.** For initial DSL and Cable Service orders, Customer shall purchase a modem or router ("Equipment") from MCI for the charges set forth above. Equipment purchases are thereafter optional for contract renewals. However, DSL Office and DSL Office Enhanced tier (speed) upgrades/downgrades will require new Equipment if the upgrade/downgrade uses a different line technology than the initial Service tier. MCI is acting only as a reseller with respect to the Equipment, which is manufactured by a third party ("Manufacturer"). MCI will provide first-level support for Equipment, but will not repair or replace Equipment. Customer's use of the Equipment is subject to the terms and conditions of the Manufacturer's end user agreement. Should Customer purchase Equipment from MCI, MCI or its suppliers will provide the current approved version of the Equipment to the Customer.
 2. **Network Applications.** Descriptions of the domain name, mail, news services, and other network applications available in connection with DSL Office, DSL Office Enhanced, and DSL Solo 384K, and the pricing and additional terms applicable to these network applications, are set forth in the Network Applications Fee Schedule available for Internet Services (Internet T1, T3, and OCx Access Services) at <http://www.mci.com/terms>. MCI reserves the right to change the Network Applications Fee Schedule from time to time, effective upon posting of the changes to that URL or other notice to Customer.
- E. **Geographic Restrictions on Service Availability.** Service prequalification is only an estimate of final Service availability and MCI does not guarantee that Service can be installed based on prequalification. Services are only available in certain geographic areas in the United States.
- F. **Conditions of Service.**
1. **DSL Office and DSL Office Enhanced Local Loop Connections.** DSL local loop connections between Customer's location and MCI or MCI's third-party aggregators will be arranged by MCI, and are provided through a local exchange carrier ("LEC"). Customer authorizes MCI to act as its agent with respect to the ordering, installing, monitoring, testing, repairing, and performing all related activities regarding the local exchange carrier and the DSL local loop connection. Customer further authorizes MCI and its suppliers, including the local exchange carrier, to access Customer's premises at mutually convenient times in order to install, monitor, test, repair, or perform related activities regarding the DSL local loop connection and other Service components. In some instances, the local exchange carrier may not offer 7x24 customer support of the DSL local loop connection.
 2. **DSL Solo Services.** It is Customer's responsibility to ensure that a LEC-provided POTS line – standard telephone line – is in place for DSL Solo. DSL Solo is not available on MCI UNE-P lines. Service based on shared-line ADSL technology does not support telephone lines used in part or in whole for any alarm service or telecommunications device for the deaf. Accordingly, Customer shall not order DSL Solo Service for any end user who wishes to have such Service provisioned over any (i) telephone line used in part or whole for any alarm service or in conjunction with a telecommunications device for the deaf; (ii) non-analog line; or (iii) line without a dial tone generated and billed to the end user by the incumbent LEC ("ILEC").
 3. **Failed Dispatch.** MCI may bill a "Missed Appointment Fee" as provided in the Pricing Schedule when a technician is dispatched and cannot complete an installation because Customer: (a) is not present for the appointment; (b) requests rescheduling or cancels upon arrival; or (c) has not arranged for access to the telephone box or Network Interface Device ("NID") and it is inaccessible. To avoid the Missed Appointment Fee, Customer must reschedule at least 2 business days before the scheduled appointment time.
 4. **Service Tier Changes.**
 - a. **DSL Office.** Customer shall provide not less than 30 days' prior written notice to MCI before downgrading to a lower service tier. (Note, however, that DSL Office cannot be upgraded/downgraded to DSL Office Enhanced.) In some instances, the condition of the DSL local loop connection and related service components for Customer's location may not support Customer's selected service tier. In such instances, (a) MCI will activate the DSL local loop connection at the maximum speed available (128 Kbps minimum), (b) the affected Service order will automatically be altered to reflect the lower service tier, and (c) Customer will be billed accordingly. If Customer prefers that a DSL Office Service order be cancelled without penalty if Customer's selected service tier is not available, Customer should promptly inform its MCI account representative.
 - b. **DSL Office Enhanced.** DSL Office Enhanced services are delivered using a different technology than DSL Office and cannot be upgraded or downgraded to DSL Office speeds. Customer may upgrade or downgrade within the available DSL Office Enhanced Service tiers only. Changes from DSL Office and DSL Office Enhanced require cancellation of the current order and placement of a new order that includes the appropriate Customer Equipment (see above).
 - c. **DSL Solo and Cable Services.** No Service tier changes are available for DSL Solo and Cable Services. Any changes to these Services require disconnecting the existing Service and ordering new service.
 5. **End User Compliance, No Resale.** Customer shall be responsible for all end users' compliance with this Agreement. Connectivity is provided to Customer's organization only. Customer is prohibited from reselling the Service in its entirety to another person or entity without the express prior written consent of MCI. MCI may suspend the Service or terminate this Service Attachment effective upon notice for a violation of this prohibition.
- G. **Use of Facilities and Equipment.** Notwithstanding anything herein to the contrary, MCI's obligation under this Service Attachment is to furnish the Service consisting of facilities and equipment that are exclusively of MCI's choosing. MCI may substitute facilities or equipment used to furnish the Service, substitute comparable service, or discontinue the Service, at any time.
- H. **Installation Scheduling.**
1. **Internet DSL.** For DSL Office and DSL Office Enhanced, installation may be scheduled between the hours of 8AM and 8PM Eastern Time Monday through Friday (excluding holidays). All DSL Solo Services are to be self-installed by Customer. If Customer desires that MCI perform DSL Solo installation or provide any onsite installation support, Customer shall open a trouble-ticket with MCI's technical support department for a technician dispatch which will be billed at the rates listed above.
 2. **Cable Resale.** For Cable Resale, installation may be scheduled between the hours of 8AM and 5PM Monday through Friday (excluding holidays) in the local time zone of the installation site.

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- I. **Service Level Agreement.** The Service Level Agreement ("SLA") for this service, which is made a part of this Agreement, is set forth on the Service Level Agreements web site at <http://global.mci.com/terms>. (SLAs are not applicable to Internet DSL Solo 768K, Internet DSL Solo 1.5M, Internet DSL Solo Resale, and Internet Cable Resale Services.) MCI reserves the right to amend the SLA from time to time effective upon posting of the revised SLA to the URL or other notice to Customer, provided that in the event of any amendment resulting in a material reduction of the SLA's service levels or credits, Customer may terminate the affected Service without penalty by providing MCI written notice of termination during the 30 days following such amendment. To be eligible for credits under this SLA, Customer is required to have a minimum one-year term for Internet DSL Service. Customer is required to report a non-conformance of the SLA within 30 business days of the incident with a request for credit or the ability to receive a credit for such non-conformance will be waived. MCI's records and data shall be the basis for all SLA calculations and determinations. The SLA sets forth Customer's sole remedies for any claim relating to this Service or the MCI Network, including any failure to meet any service level set forth in the SLA. Notwithstanding anything to the contrary, for any given month, the maximum credit available to Customer is an amount equal to: (a) a one-time one month credit of the DSL Service monthly charges for a missed Install SLA plus; (b) the amount equal to one days worth of the DSL Service monthly charges no matter how many other DSL Service levels are missed that month.

Customer Premises Equipment

CUSTOMER PREMISES EQUIPMENT

- A. **General.** The provisions of the Guide relating to Customer Premises Equipment or "CPE" (the "CPE Terms") will apply to any Customer order to MCI for one or more of the following CPE services, in the U.S. Mainland only, during the term of the Agreement of which this service attachment is a part : (i) purchase; (ii) purchase, installation and maintenance subject to third-party lease; (iii) monthly rental, (iv) term rental, (v) installation service, (vi) maintenance service, and (vii) maintenance takeover service. Orders need not be signed but MCI will send Customer a written confirmation (including email) before processing the order. Certain current Guide terms regarding CPE are described in part below (without limitation).
- B. **Pricing and Payment.** Customer will pay the rate stated on MCI's documentation of an order for installation; purchase; and the purchase and installation elements of purchase, installation and maintenance subject to third-party lease; provided that the rate is current – i.e., was first quoted within 30 days of the order's submission. For other CPE Services, Customer also will pay the rate stated on MCI's order documentation, subject to the following. After expiration of any service term commitment by Customer for a particular unit of Equipment, MCI may change the rates and will provide 30 days notice of any increase. Any charges for such CPE do not contribute to the AVC or any other minimum purchase requirement.
- C. **Title and Risk of Loss.** Title to each item of equipment under purchase or purchase, installation and maintenance subject to third-party lease, passes to Customer upon MCI's receipt of full payment for that item of equipment. Customer bears the risk of loss or damage to rental CPE after installation and while such equipment is located at an installation site and shall pay MCI the reasonable and customary costs of repair or replacement if loss or damage occurs.
- D. **Maintenance.** MCI has the exclusive right to maintain CPE subject to maintenance under this Agreement. Customer acknowledges that it is Customer's responsibility to replace (or support) CPE when it is no longer supported by the CPE manufacturer ("Unsupported CPE"). Maintenance service for Unsupported CPE is limited to the level of service MCI can provide using commercially reasonable efforts.
- E. **Customer Responsibilities.** Customer hereby authorizes MCI or its assignee to endorse Customer's name upon any uniform Commercial Code filings reasonably necessary to protect the interests of MCI, its contractors or assignees, if any, in the CPE. MCI and its contractors are not responsible or liable for Customer's failure to provide backup power, or to adequately duplicate or document files or for data or files lost during the course of performance of maintenance services. Customer will provide a physical and electrical environment for the CPE that meets MCI specifications and provide MCI full access to the CPE. Customer shall not move or remove any item of CPE maintained under the CPE Terms without MCI's prior written consent. For rental CPE, Customer shall provide insurance meeting MCI's requirements. Customer shall not do anything inconsistent with MCI's or its assignee's interest in the CPE.
- F. **Warranties, Limitations of Liability and Force Majeure.** Customer shall defend, indemnify and hold harmless MCI, its affiliates and their respective employees, officers agents or contractors against any damages and expenses, including reasonable attorneys' fees, incurred by any of them (including expenses and costs incurred by MCI in enforcing the CPE Terms) arising out of Customer's or its employees', contractors' or agents' acts, omissions or breaches of any obligations hereunder, or its use of the CPE or maintenance services in a manner not intended under the CPE Terms. MCI warrants that any cables and connectors between the CPE and any other equipment on Customer's premises that are provided by MCI will be in good working order for a period of thirty (30) days after installation unless the failure of such cables and connectors is caused by Customer's misuse or abuse. MCI warrants that maintenance service will be performed in a good and workmanlike manner. Customer's sole remedy for a breach of that warranty is for MCI to reperform the defective work. Except as specifically set forth in the CPE Terms, all CPE provided by MCI is provided "as is" without warranties of any kind. MCI makes no warranties, express or implied, as to any CPE equipment or related product/service or documentation. MCI specifically disclaims any and all implied warranties, including without limitation, any implied warranties of merchantability, fitness for a particular purpose or noninfringement of third-party rights. Notwithstanding the foregoing, the end user warranties and sublicenses, if any of the equipment manufacturer pass through MCI and inure to the benefit of Customer. Neither party is responsible for a failure to perform resulting from Force Majeure but no Force Majeure relieves Customer of its obligation to make payments for invoiced amounts. In no event will MCI be obliged to provide credits for service interruptions to MCI communication services provided to Customer as a result of any act or failure to act under this Agreement.
- G. **Term, Termination and Early Termination Charge.**
1. If either party materially or repeatedly defaults in the performance of any of its obligations under the aspects of this Agreement that apply to CPE and does not substantially cure that default within 10 days of being given notice of it, then the other party may terminate the aspects of this Agreement that apply to CPE (without affecting the remainder of the Agreement), as of a date specified in its notice of termination.

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2. Upon termination, MCI has the right to exercise one or more of the following remedies, in addition to any other remedies MCI may exercise, in law or equity: (1) recover from Customer all amounts due and unpaid, and (2) repossess any CPE for which title has not passed to Customer. Upon termination, Customer must remove Customer-owned CPE. Customer must return or dispose of rented CPE in accordance with MCI's requirements within 5 business days after the expiration or termination of the CPE Terms (as a whole or with respect to a particular item of Equipment), or the actual termination of service under the CPE Terms if Customer and MCI have agreed to it occurring before the 30 day notice period has expired, whichever is sooner. Customer is liable for any loss or damage to CPE resulting from theft, disappearance, fire or any other cause. For each item of CPE not returned, for any reason, within the 5 day period, Customer will be deemed to have purchased such CPE and shall pay MCI the replacement cost, plus any additional costs incurred by MCI in replacing the CPE.
 3. If Customer terminates a unit of CPE service before the end of a service term commitment, Customer will pay, without limitation (a) an amount equal to the monthly recurring charges for the terminated unit of service for each month remaining in the service term commitment, and (ii) any credits received by Customer with respect to that unit.
- H. **Export and Legal Compliance.** Customer acknowledges that certain equipment, software and technical data which may be provided under this Agreement may be subject to export and re-export controls under the U.S. Export Administration Regulations and/or similar regulations of the U.S. or any other country. Customer shall not export or re-export any such equipment, software, technical data or any direct product thereof in violation of any such laws. Customer shall comply with all laws and regulations, including but not limited to import and custom laws and regulations.

Security Services

MANAGED EMAIL CONTENT

I. Rates and Charges.

- A. **Monthly Recurring Charges.** For the MCI Managed Email Content services provided pursuant to this Attachment ("Managed Email"), Customer will pay a monthly recurring charge ("MRC") for each unit of service ordered and installed ("Service Unit" or "Unit"), at the rate indicated in the table below, based on the total volume of Service Units. Changes in the total number of Units are effective for billing purposes at the start of the month following the change. For example, if there are 1000 Anti-Virus Units on January 1, 3000 such Units on January 15, and 6000 such Units on March 15, Customer would pay an MRC of \$1,800 (1000 x \$1.80) for January, \$3,450 (3000 x \$1.15) for February and March, and \$5,880 (6000 x \$0.98) for April. The MRC is prorated only for the two months that all Managed Email service begins and ends. Each Service Unit allows a particular Managed Email service to be provided to a single Email address, whether or not Email is actually directed to that Unit. (A minimum one-year term commitment applies to each Unit.) MCI reserves the right to charge Customer for any actual usage that exceeds the number of Service Units, and to take other appropriate steps (in MCI's sole discretion) including suspending and/or terminating service. For purposes of determining the applicable tier for Managed Email pricing (whether for a single type or a combined type), only the number of Units of that particular combined type or single type will be counted (e.g., "Anti-Virus only" Units will not be counted in determining the tier for Combined Anti-Virus and Anti-UCE). UCE is unsolicited commercial Email. Customer's initial order must be for a minimum of 25 Units and if at any point Customer has fewer than 25 Units, it will pay a minimum charge equal to 25 Units multiplied by the applicable MRC. Subsequent orders must be in increments of 10 additional Units. The rates, discounts, charges and credits set forth in this service attachment will be effective the first day of the month following activation of the relevant service.

1. Anti-Virus Only

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 - 1000	\$1.80
Tier 2	1001 - 5000	\$1.15
Tier 3	5001 - 20,000	\$0.98

2. Anti-UCE Only

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 - 1000	\$1.80
Tier 2	1001 - 5000	\$1.15
Tier 3	5001 - 20,000	\$0.98

3. Image Control Only

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 - 1000	\$1.80
Tier 2	1001 - 5000	\$1.15
Tier 3	5001 - 20,000	\$0.98

4. Content Control Only

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 - 1000	\$1.80
Tier 2	1001 - 5000	\$1.15
Tier 3	5001 - 20,000	\$0.98

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5. Combined Anti-Virus & Anti-UCE

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 – 1000	\$2.70
Tier 2	1001 – 5000	\$1.75
Tier 3	5001 – 20,000	\$1.50

6. Combined Anti-Virus & Image Control

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 – 1000	\$2.70
Tier 2	1001 – 5000	\$1.75
Tier 3	5001 – 20,000	\$1.50

7. Combined Anti-Virus & Content Control

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 – 1000	\$2.70
Tier 2	1001 – 5000	\$1.75
Tier 3	5001 – 20,000	\$1.50

8. Combined Anti-UCE & Image Control

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 – 1000	\$2.70
Tier 2	1001 – 5000	\$1.75
Tier 3	5001 – 20,000	\$1.50

9. Combined Anti-UCE & Content Control

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 – 1000	\$2.70
Tier 2	1001 – 5000	\$1.75
Tier 3	5001 – 20,000	\$1.50

10. Combined Image Control & Content Control

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 – 1000	\$2.70
Tier 2	1001 – 5000	\$1.75
Tier 3	5001 – 20,000	\$1.50

11. Combined Anti-Virus, Anti-UCE & Image Control

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 – 1000	\$3.40
Tier 2	1001 – 5000	\$2.20
Tier 3	5001 – 20,000	\$1.90

12. Combined Anti-Virus, Anti-UCE & Content Control

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 – 1000	\$3.40
Tier 2	1001 – 5000	\$2.20
Tier 3	5001 – 20,000	\$1.90

13. Combined Anti-UCE, Image Control & Content Control

Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 – 1000	\$3.40
Tier 2	1001 – 5000	\$2.20
Tier 3	5001 – 20,000	\$1.90

14. Combined Anti-Virus, Anti-UCE & Image Control and Content Control

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Tier	Minimum - Maximum Users	Current MRC Per User
Tier 1	25 – 1000	\$3.90
Tier 2	1001 – 5000	\$2.50
Tier 3	5001 – 20,000	\$2.25

- B. **Non-recurring Charges.** Customer will pay a non-recurring set-up charge for each domain (or subdomain if applicable) for which Managed Email is provided, as well as the following other non-recurring charges, as applicable. Current non-recurring charges are set out in the table below. A "Service or Volume Downgrade" applies whenever Customer either (i) moves Units from a combined service type to a single type or to a combined service type that includes fewer service types within it (e.g., from Combined Anti-Virus, Anti-UCE & Image Control to Combined Anti-Virus & Image Control or to Anti-Virus only), or (ii) reduces the number of Units of the Managed Email services.

Service	Charge
Set Up	\$80 per domain/subdomain
Expedited Order	\$850 per order
Service or Volume Downgrade	\$250 per change

II. Terms and Conditions

- A. **General.** MCI may provide Managed Email directly and/or through its suppliers. References to "MCI" in the provisions of this service attachment and related Agreement (including the online Guide) that limit liability and disclaim warranties include such suppliers and their affiliates, directors, officers, employees or agents. MCI reserves the right to suspend or terminate providing Managed Email within 90 days of informing Customer by invoice message, Email or other reasonable means, if in MCI's sole discretion, continuation of the service is no longer commercially beneficial (e.g., because of the loss of a supplier).
- B. **Description Of Service.**
1. **Managed Email.** Customer acknowledges that Managed Email accesses the content of scanned Email, which may include nonpublic and personal information, for the limited purpose of providing the service, as described in this service attachment and the Guide.
 2. **Installation.** Before installation, Customer must provide to MCI the appropriate, current configuration form, fully completed and accurate. Customer must configure its Email servers to accept Email only from MCI-designated sources. Customer is responsible for confirming that Managed Email is configured in accordance with Customer's preferences prior to and at all times after activation of Managed Email.
 3. **Scanning.** Scanned Managed Email will be handled according to rules established based on Customer's request. Image Control does not currently scan video files. For Customers selecting a combined service type, Email will be scanned in the following order, as applicable: (a) Anti-Virus, and if not identified for interception then; (b) Anti-UCE, and if not identified for interception, then; (c) Image Control, and if not identified for interception then; (d) Content Control. If a customer releases or requests the release of an Email identified for interception by Anti-Virus, the released Email will not be scanned by Anti-UCE or Image Control prior to release (nor will an Anti-UCE intercepted Email be scanned by Image Control or Content Control if released, nor will Image Control intercepted Email be scanned by Content Control if released).
- C. **Terms and Conditions of Service.**
1. **Customer Obligations.** Customer acknowledges that it is not relying on any representations or warranties made by a manufacturer except for those warranties expressly made in a software end user license agreement (if applicable to Customer).
 2. **Service Limitations.** Managed Email may be provided to end users worldwide but to receive Managed Email, Customer must be incorporated in the United States. Managed Email is available only to end users with fixed IP addresses (as opposed to IP addresses that are dynamically allocated) with dedicated, broadband IP connections (as opposed to dial-up or ISDN connections), whether provided by MCI or another provider. Scanning of outbound Email will not be available to Customers using a shared server for Email, except under special arrangements agreed to by the parties. Certain Email content will not be scanned by Managed Email, including but not limited to content that is password-protected and encrypted. Managed Email will not scan inbound Email received from any IP address or domain originating from the same server as used by Customer.
 3. **Disclaimer.** Managed Email Service is provided "As Is." The warranties and representations, including any SLAs, expressly set forth in this service attachment and related Agreement are exclusive. MCI's entire liability and Customer's sole and exclusive remedies regarding Managed Email service are set forth in the paragraph labeled Service Level Agreement. Customer acknowledges and agrees that (i) Managed Email constitutes only one component of Customer's overall security program and is not a comprehensive security solution; (ii) there is no guarantee that Managed Email will be uninterrupted or error-free, that networks or systems connected to or supported by Managed Email will be secure, or that Managed Email will meet Customer's requirements; (iii) there is no guarantee that any communications sent by means of Managed Email will be private; (iv) there is no guarantee that Managed Email will identify all Email not desired by Customer or will not identify for special handling any Email that are desired by Customer.
 4. **Limitation.** "Email" means any SMTP message sent or received via MEC. "Virus" means a piece of program code, including a self-replicating element, usually (but not necessarily) disguised as something else that causes some unexpected and, for the victim, usually undesirable event and which is designed so that it may infect other computer systems. Without limiting Section 3 above, neither MCI nor any of its vendors are liable to Customer or any end user for (i) any damage or loss resulting from the content of Email that passes through Managed Email to or from Customer or any end users, including, without limitation, resulting from the access of MCI or any of its vendors to such content for purposes of providing Managed Email; (ii) any delay or inability of Customer to receive or send Emails due to the operation of Managed Email; or (iii) any identification of an Email that should not have been identified for special handling or any failure to identify an Email that should have been identified for special handling.

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5. **Mitigation.** MCI reserves the right to make changes to, suspend or terminate Managed Email in whole or in part, as needed to address threats to the security and effectiveness of Managed Email. Customer agrees that it will not allow its system to be used for Open Relay or to distribute UCE, Viruses or pornographic images. If it is determined that Customer's Email system allows Open Relay or is being used to distribute UCE, Viruses or pornographic images, MCI will work with Customer to develop a mitigation plan but MCI may elect to suspend or terminate service to Customer as it reasonably deems necessary to protect service effectiveness or security, for example, if Customer does not implement the mitigation plan.
6. **Service Level Agreement.** The Service Level Agreement ("SLA") for Managed Email, which is made a part of the Agreement, is set forth at <https://mci.com/terms> (or other location specified by MCI). MCI reserves the right to amend the SLA from time to time effective upon posting of the revised SLA to the URL cited above or other notice to Customer; provided, that in the event of any amendment resulting in a material reduction of the SLA's service levels or credits, Customer may terminate this Service Attachment without penalty by providing MCI written notice of termination during the 30 days following notice of such amendment (unless during the 30-day notice period, MCI cures the material reduction). The SLA sets forth Customer's sole remedies for any claim in connection with Managed Email, including without limitation any claim relating to shipment, installation, performance, or failure to meet any standard set forth in the SLA. MCI's records and data shall be the basis for all SLA calculations and determinations.
7. **Customer Data.** Customer (and not MCI) is responsible for taking any steps that may be required by law or otherwise to inform end users and others sending and receiving Email from or to the domains receiving Managed Email that such Email is subject to scanning for Viruses, UCE, pornographic images and/or textual content as described in this service attachment, and as a result the Email's traffic data, header information and/or content may be accessed for that limited purpose. As a part of that limited purpose, MCI (including its suppliers used in providing this service) may use any Virus-, UCE-, pornography-related or text violated content to (i) maintain and improve the performance and integrity of Managed Email, (ii) observe, study and test the functioning of Managed Email; (iii) comply with regulatory, legislative or contractual requirements (including cooperating with law enforcement authorities); and (iv) make available to licensors information passing through Managed Email for the purposes of enhancing Managed Email and protecting against Viruses, UCE, pornography and tagged, blocked or logged textual content. Customer acknowledges that the United States and other countries regulate the treatment of Email and other information and will comply with all applicable data protection, privacy and similar laws in its use of Managed Email and that MCI is not liable for any use of Managed Email by Customer in a manner that is inconsistent with legal requirements or by MCI in accordance with the above limited purpose.
8. **Export Compliance.** The parties hereby acknowledge that the products, technology, and/or services ("Products and Technology") provided under this service attachment may be subject to export, import and use controls under the laws and regulations of the United States (U.S.), other foreign governments and international agreements. Each party shall comply with such laws and regulations and agrees that it and the end users of the Products and Technology will not export, re-export or transfer Products and Technology without first obtaining all required U.S. or foreign government authorizations or licenses. Customer represents and warrants that it is a U.S. citizen or permanent resident, or a corporation organized under the laws of one or more of the United States of America, and that Customer is not subject to a U.S. government order suspending, revoking or denying export privileges. Each party agrees to maintain a record of exports, re-exports, and transfers of the Products and Technology for five years and to forward within that time period any required records, at the other party's request, to the applicable U.S. or foreign government agency. Each party agrees to permit audits by the other party or the U.S. or foreign government as may be required under the applicable laws and regulations.
9. **Service Activation Date.** Billing of monthly recurring charges will commence as of the date Managed Email has been made available for operation by MCI, to be indicated to Customer by the MCI Installation Engineer ("Service Activation Date").

MANAGED FIREWALL - CORPORATE/OFFICE/SOLO (U.S. ONLY)

I. Rates and Charges.

- A. **Service Term Commitment.** The service term commitment indicated below applies to each order of a Managed Firewall—Corporate, Managed Firewall—Office, or Managed Firewall—Solo (collectively "Managed Firewall") under this service attachment. If no service term is selected, a one-year term will automatically be applied. With respect to orders placed under this service attachment during the term of the master agreement of which it is a part, the master agreement and service attachment will continue to apply to such orders until the selected service term commitment has ended, even if the term of the master agreement ends earlier.

Select One: ☐ 1 Year ☐ 2 Years ☐ 3 Years

- B. **Managed Firewall - Corporate.** Customer will pay the applicable monthly recurring charge ("MRC") based on the service term commitment selected above, and the applicable non-recurring charge ("NRC"), indicated in the table below for each Managed Firewall—Corporate ordered under this service attachment. "HA" in the firewall table below indicates the high availability version of the firewall, which include the base firewall plus a fail-over unit. The Security Defense Appliance ("SDA") listed in the table below is an optional device that captures security information from the firewall unit, enabling enhanced reporting, and provides an encrypted communications channel for device management. "HA" following "SDA" stands for high availability, which means that the service includes the base SDA plus a fail-over SDA unit.

1. 1-Year Term

Managed Firewall – Corporate	NRC	1-5 Units MRC	6-15 Units MRC	16-50 Units MRC	51+ Units MRC
Cisco PIX 506	\$2,700	\$1,250	\$1,150	\$1,050	\$950
Cisco PIX 515E-R	\$2,700	\$1,645	\$1,520	\$1,390	\$1,260
Cisco PIX 515E-R HA	\$2,700	\$2,475	\$2,280	\$2,080	\$1,890
Cisco PIX 525R	\$2,700	\$2,195	\$2,020	\$1,850	\$1,670
Cisco PIX 525UR HA	\$2,700	\$3,295	\$3,040	\$2,770	\$2,510
Cisco PIX 535R	\$2,700	\$3,095	\$2,850	\$2,600	\$2,360
Cisco PIX 535UR HA	\$2,700	\$4,645	\$4,280	\$3,910	\$3,540

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NetScreen 5 XT	\$2,700	\$1,250	\$1,150	\$1,050	\$950
NetScreen 25	\$2,700	\$1,395	\$1,290	\$1,180	\$1,070
NetScreen 50	\$2,700	\$1,645	\$1,520	\$1,390	\$1,260
NetScreen 50 HA	\$2,700	\$2,475	\$2,280	\$2,080	\$1,890
NetScreen 204	\$2,700	\$2,195	\$2,020	\$1,850	\$1,670
NetScreen 204 HA	\$2,700	\$3,295	\$3,040	\$2,770	\$2,510
NetScreen 208	\$2,700	\$2,595	\$2,390	\$2,180	\$1,980
NetScreen 208 HA	\$2,700	\$3,895	\$3,590	\$3,280	\$2,970
Security Defense Appliance					
SDA HA	\$800	\$300	\$250	\$230	\$210
URL Filtering					
NetScreen URL Filtering	\$0	\$80	\$80	\$80	\$80

2. 2-Year Term

Managed Firewall – Corporate	NRC	1-5 Units MRC	6-15 Units MRC	16-50 Units MRC	51+ Units MRC
Cisco PIX 506	\$2,700	\$1,188	\$1,093	\$998	\$903
Cisco PIX 515E-R	\$2,700	\$1,563	\$1,444	\$1,321	\$1,197
Cisco PIX 515E-R HA	\$2,700	\$2,351	\$2,166	\$1,976	\$1,796
Cisco PIX 525R	\$2,700	\$2,085	\$1,919	\$1,758	\$1,587
Cisco PIX 525UR HA	\$2,700	\$3,130	\$2,888	\$2,632	\$2,385
Cisco PIX 535R	\$2,700	\$2,940	\$2,708	\$2,470	\$2,242
Cisco PIX 535UR HA	\$2,700	\$4,413	\$4,066	\$3,715	\$3,363
NetScreen 5 XT	\$2,700	\$1,188	\$1,093	\$998	\$903
NetScreen 25	\$2,700	\$1,325	\$1,226	\$1,121	\$1,017
NetScreen 50	\$2,700	\$1,563	\$1,444	\$1,321	\$1,197
NetScreen 50 HA	\$2,700	\$2,351	\$2,166	\$1,976	\$1,796
NetScreen 204	\$2,700	\$2,085	\$1,919	\$1,758	\$1,587
NetScreen 204 HA	\$2,700	\$3,130	\$2,888	\$2,632	\$2,385
NetScreen 208	\$2,700	\$2,465	\$2,271	\$2,071	\$1,881
NetScreen 208 HA	\$2,700	\$3,700	\$3,411	\$3,116	\$2,822
Security Defense Appliance					
SDA HA	\$800	\$285	\$238	\$219	\$200
URL Filtering					
NetScreen URL Filtering	\$0	\$76	\$76	\$76	\$76

3. 3-Year Term

Managed Firewall – Corporate	NRC	1-5 Units MRC	6-15 Units MRC	16-50 Units MRC	51+ Units MRC
Cisco PIX 506	\$2,700	\$1,125	\$1,035	\$945	\$855
Cisco PIX 515E-R	\$2,700	\$1,481	\$1,368	\$1,251	\$1,134
Cisco PIX 515E-R HA	\$2,700	\$2,228	\$2,052	\$1,872	\$1,701
Cisco PIX 525R	\$2,700	\$1,976	\$1,818	\$1,665	\$1,503
Cisco PIX 525UR HA	\$2,700	\$2,966	\$2,736	\$2,493	\$2,259
Cisco PIX 535R	\$2,700	\$2,786	\$2,565	\$2,340	\$2,124
Cisco PIX 535UR HA	\$2,700	\$4,181	\$2,232	\$3,519	\$3,186
NetScreen 5 XT	\$2,700	\$1,125	\$1,035	\$945	\$855
NetScreen 25	\$2,700	\$1,256	\$1,161	\$1,062	\$963
NetScreen 50	\$2,700	\$1,481	\$1,368	\$1,251	\$1,134
NetScreen 50 HA	\$2,700	\$2,228	\$2,052	\$1,872	\$1,701
NetScreen 204	\$2,700	\$1,976	\$1,818	\$1,665	\$1,503
NetScreen 204 HA	\$2,700	\$2,966	\$2,736	\$2,493	\$2,259
NetScreen 208	\$2,700	\$2,336	\$2,151	\$1,962	\$1,782
NetScreen 208 HA	\$2,700	\$3,506	\$3,231	\$2,952	\$2,673
Security Defense Appliance					
SDA HA	\$800	\$270	\$270	\$270	\$270
URL Filtering					
NetScreen URL Filtering	\$0	\$72	\$72	\$72	\$72

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- C. **Managed Firewall - Office.** Customer will pay the applicable MRC based on the service term commitment selected above, and the applicable NRC, indicated in the table below for each Managed Firewall--Office ordered under this service attachment. "HA" in the firewall table below indicates the high availability version of the firewall, which includes the base firewall plus a back-up unit. The Security Defense Appliance ("SDA") listed in the table below is an optional device that captures security information from the firewall unit, enabling enhanced reporting, and provides an encrypted communications channel for device management. "HA" following "SDA" stands for high availability, which means that the service includes the base SDA plus a fail-over SDA unit.

Managed Firewall – Office	NRC	1-Yr. Term MRC	2-Yr. Term MRC	3-Yr. Term MRC
Cisco PIX 506	\$800	\$600	\$570	\$540
Cisco PIX 515E-R	\$800	\$850	\$808	\$765
Cisco PIX 515E-UR HA	\$800	\$1,500	\$1,425	\$1,350
Cisco PIX 525R	\$800	\$1,275	\$1,212	\$1,148
Cisco PIX 525UR HA	\$800	\$2,100	\$1,996	\$1,890
NetScreen 5 XT	\$800	\$600	\$570	\$540
NetScreen 25	\$800	\$750	\$713	\$675
NetScreen 50	\$800	\$825	\$784	\$743
NetScreen 50 HA	\$800	\$1,235	\$1,173	\$1,112
URL Filtering				
NetScreen URL Filtering	\$800	\$80	\$76	\$72

- D. **Managed Firewall - Solo.** Customer will pay the applicable MRC based on the service term commitment selected above, and the applicable NRC, indicated in the table below for each Managed Firewall -- Solo ordered under this service attachment. "HA" in the firewall table below indicates the high availability version of the firewall, which includes the base firewall plus a back-up unit. The Security Defense Appliance ("SDA") listed in the table below is an optional device that captures security information from the firewall unit, enabling enhanced reporting, and provides an encrypted communications channel for device management. "HA" following "SDA" stands for high availability, which means that the service includes the base SDA plus a fail-over SDA unit.

Managed Firewall – Solo	NRC	1-Yr. Term MRC	2-Yr. Term MRC	3-Yr. Term MRC
Cisco PIX 506	\$600	\$375	\$357	\$338
NetScreen 5 GT 10 User	\$600	\$300	\$285	\$270
NetScreen 5 GT Extended	\$600	\$375	\$357	\$338
Security Defense Appliance				
SDA HA	\$800	\$300	\$300	\$300
URL Filtering				
NetScreen URL Filtering	\$0	\$80	\$76	\$72

- E. **Additional Charges.**

Charge Type	NRC
Expedite Fee	\$850
Additional Token	\$300

II. Terms and Conditions.

- A. **General.** This service attachment describes the rates, terms and conditions for three MCI services: Managed Firewall--Corporate, which is intended for customers with at least 500 employees, Managed Firewall--Office, for customers with 100 to 499 employees, and Managed Firewall--Solo, for customers with up to 99 employees. The MCI Managed Firewall services provided pursuant to this service attachment are governed by the Guide (as applied to Internet, Enhanced and other Non-regulated Products and Services), as supplemented by this service attachment and the related master agreement of which it is a part ("Agreement"). Except where explicitly stated otherwise, all of the provisions of this service attachment apply equally to Managed Firewall--Corporate, Managed Firewall--Office, and Managed Firewall--Solo. Current rates and charges for Managed Firewall are set forth above. MCI may provide the service directly and/or through its suppliers. References to "MCI" in the provisions of this service attachment and related Agreement that limit liability and disclaim warranties or damages include such suppliers and their affiliates, directors, officers, employees or agents. These limitations are independent of each remedy in the Agreement and are intended to survive and be enforceable under any circumstances without exception. MCI reserves the right to replace, modify, suspend or terminate Managed Firewall within 90 days of informing Customer by invoice message, email or other reasonable means, if in MCI's sole discretion, such action is appropriate under the circumstances (e.g., because of the loss of a supplier). Managed Firewall is available only in the United States to customers incorporated in the United States under an Agreement governed by the law of one of the United States. Managed Firewall will be billed in the United States, in U.S. dollars.
- B. **Description of Service - Managed Firewall.** Managed Firewall is a managed security service for Internet access customers which provides firewall configuration, administration, monitoring, report generation, and support, as well as the use of a firewall system (consisting of firewall equipment and related software, collectively "Firewall System") owned, maintained and supported by MCI. For Managed Firewall--Corporate, Customer must supply a dedicated Internet connection of at least a T1, as well as a separate dedicated analog line for out-of-band management. For Managed Firewall--Office and Managed Firewall--Solo, Customer must supply a dedicated Internet connection (up to a T1).
- Installation.** Before installation, Customer must complete and provide the appropriate, current customer profile (the configuration workbook). Customer installs the Firewall System based on guidelines provided by MCI.
 - Configuration Submission.** MCI will configure Managed Firewall in accordance with Customer's configuration submission, based on pre-designed firewall policy templates.

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3. **Firewall Configuration.** Customer is responsible for confirming that its Firewall System is configured in accordance with Customer's preferences prior to and after activation of Managed Firewall. VPN support is available for all Managed Firewall--Corporate Firewall Systems, and for some but not all Managed Firewall--Office or Managed Firewall--Solo Firewall Systems. The Firewall System will be deemed accepted by Customer 5 business days after MCI verifies the Web Portal is receiving data from Customer unless Customer notifies MCI that it is rejecting the firewall. If MCI receives such a notice, it will correct the failure identified by Customer in the notice, and the Firewall System will be deemed accepted within five business days of the correction unless Customer again provides notice of rejection. In such a case, MCI will correct the failure identified and the Firewall System will be deemed accepted within five business days of the correction unless rejected again by Customer. This notice and correction process will be repeated until the Firewall System is accepted, or until MCI, at its discretion, elects to terminate service.
 4. **Administration.** MCI will provide a "Web Portal" at which Customer administrators can view current Firewall System configuration information, make basic policy and rules changes, request complex rules and configuration changes, as well as view reports and trouble ticket status. After installation, Customer will make basic policy and rules changes to the Firewall System, such as adjustments to remote user and VPN connection rules, URL filtering settings and trusted IP settings. MCI will make complex changes to firewall rules and device configuration. Customer will request complex changes through the Web Portal, except that in case of emergency only, Customer may call MCI's operations center directly to request a change at the number provided by MCI. For Managed Firewall--Office Firewall Systems, Customer may request up to 4 changes per month. For Managed Firewall--Solo Firewall Systems, Customer may request up to 2 changes per month.
 5. **Monitoring.** MCI will monitor the CPU utilization and availability of Customer's Firewall System on a 7 x 24 basis.
 6. **Reports.** MCI will make available daily usage reports for Customer's Firewall System at the Web Portal.
 7. **Security Scan.** MCI will perform a security scan on Customer's Firewall System once each year at Customer's request.
 8. **URL Blocking and Anti-Virus.** Customer category-defined URL blocking and anti-virus capabilities are available on certain Firewall Systems, in some cases for an additional charge.
 9. **Configuration Backups.** MCI will maintain backups of Customer's Firewall System configuration and regularly store such backups at a remote location.
 10. **Maintenance.** MCI will remotely install Firewall System patches, bug fixes, and software upgrades when approved for general distribution to MCI customers. In the event of Firewall System failure (or if the Firewall System is no longer fully supported by its manufacturers), MCI may either dispatch a technician to repair the Firewall System at Customer's site or replace the Firewall System with one of comparable or better functionality, as follows: (a) if a Firewall System failure is discovered during MCI's normal business hours, MCI will make commercially reasonable efforts to ship a replacement Firewall System or component thereof to Customer by the close of that business day; and (b) if the Firewall System failure is discovered outside MCI's normal business hours, MCI will make commercially reasonable efforts to ship a replacement Firewall System or component thereof to Customer by the end of the next business day.
 11. **Support.** MCI will provide contact information for Customer support.
- C. **Conditions of Service.**
1. **Customer Obligations.** Customer shall comply with all obligations set forth in this service attachment and the related Agreement, including all obligations set forth in any end user software licenses for software provided by MCI. Customer acknowledges that it is not relying on any representations or warranties made by a manufacturer except for those warranties expressly made in a software end user license agreement (if applicable to Customer).
 2. **Disclaimer.** Managed Firewall service is provided "As Is" without warranties of any kind. MCI's entire liability and Customer's sole and exclusive remedies regarding Managed Firewall service and the Firewall System (including without limitation relating to shipment, installation, and performance) are: (a) set forth in the paragraph labeled Service Level Agreement or (b) repair or replacement (at MCI's discretion) of any MCI-provided Firewall System that is defective (as described further in the paragraph below titled "Maintenance of Firewall System"). If repair or replacement of any defective Firewall System is not reasonably practicable, either party will have the right to terminate the defective service upon 10 days written notice to the other party. Customer acknowledges and agrees that (a) Managed Firewall constitutes only one component of Customer's overall security program and is not a comprehensive security solution; (b) there is no guarantee that Managed Firewall will be uninterrupted or error-free, that networks or systems connected to or supported by Managed Firewall will be secure, or that Managed Firewall will meet Customer's requirements; (c) there is no guarantee that any communications sent by means of Managed Firewall will be private; (d) there is no guarantee that Managed Firewall will block all email and sites not desired by Customer or will not block any sites or Email that are desired by Customer; and (e) any available content or URL blocking software is used at Customer's sole risk and discretion.
 3. **Service Level Agreement.** The Service Level Agreement ("SLA") for Managed Firewall, which is made a part of the Agreement, is set forth at www.mci.com/terms. MCI reserves the right to amend the SLA from time to time effective upon posting of the revised SLA to the URL cited above or other notice to Customer; provided, that in the event of any amendment resulting in a material reduction of the SLA's service levels or credits, Customer may terminate this service attachment without penalty by providing MCI written notice of termination during the 30 days following notice of such amendment (unless during the 30-day notice period, MCI cures the material reduction). The SLA sets forth Customer's sole remedies for any failure to meet any standard set forth in the SLA. MCI's records and data shall be the basis for all SLA calculations and determinations.
 4. **Maintenance of Firewall System.** With respect to the Firewall System only, MCI will provide the following maintenance services ("Maintenance Services"): (i) Use commercially reasonable efforts to isolate any problems with the Firewall System and send a technician to the Customer site if necessary; (ii) If MCI, in its sole discretion, determines that any component of a Firewall System that resides on Customer's premise needs to be replaced, such component will be replaced with a component in good working order and of like kind and functionality from a manufacturer of MCI's choice at the time of replacement ("Exchange Component"). Maintenance Services only apply to problems arising out of the normal use of the Firewall System and do not apply if the Firewall System is damaged as a result of the negligence or willful misconduct of Customer. If repair and/or replacement is required because of damage caused by Customer's negligence or willful misconduct, Customer will be charged time at MCI's standard rates to repair the Firewall System or Customer will be charged the replacement cost of the Firewall System.

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5. **Equipment.** Customer shall (a) maintain the Firewall System and any associated software, systems, cabling and facilities in accordance with the reasonable instructions of MCI as may be given from time to time; (b) not modify, relocate, or in any way interfere with the Firewall System unless expressly authorized by a representative of MCI to do so; and (c) not cause the Firewall System to be repaired, serviced, or otherwise accessed except by an authorized representative of MCI. In addition, Customer shall furnish such electrical power in the form of a 120V outlet, including backup power, and such other amenities as are required in order to accommodate Managed Firewall and in order for the Firewall System to function as intended. Customer, upon reasonable request or notice, shall also allow MCI representatives to enter onto Customer premises or locations at which service is being provided in order to repair or maintain Managed Firewall, including the Firewall System, or in order to remove the Firewall System. Failure of Customer to permit such entry will discharge MCI from its service obligation. If required by a change in equipment providers, Customer will complete any migration process within the reasonable timeframes required by MCI and its suppliers. To the extent MCI uses Customer-owned or provided hardware and/or software to provide Managed Firewall (the "Customer Equipment"), Customer will provide any license, approvals or consents reasonably required for MCI to access or use the Customer Equipment.
6. **Security.** Customer shall, at its own expense, take all reasonable physical and information systems security measures necessary to protect all equipment, software, data and systems located on Customer's premises or otherwise in Customer's control and used in connection with Managed Firewall, whether owned by Customer, MCI, or MCI's subcontractors. Customer acknowledges and agrees that MCI is not liable, either in contract or in tort, for any loss resulting from any unauthorized access to or alteration of, theft, destruction, corruption, or use of, facilities used in connection with Managed Firewall. Customer is responsible for all security policies, including without limitation firewall security policies, even if Customer uses a third party (or MCI) to configure and implement such policies.
7. **Export Compliance.** The parties hereby acknowledge that the products, technology, and/or services ("Products and Technology") provided under this service attachment may be subject to export, import and use controls under the laws and regulations of the United States (U.S.), other foreign governments and international agreements. Each party shall comply with such laws and regulations and agrees that it and the end users of the Products and Technology will not export, re-export or transfer Products and Technology without first obtaining all required U.S. or foreign government authorizations or licenses. The parties each agree to provide the other such information and assistance as may reasonably be required by the other in connection with securing such authorizations or licenses, and to take timely action to obtain all required support documents. Customer represents and warrants that it is a U.S. citizen or permanent resident, or a corporation organized under the laws of one or more of the United States of America, and that Customer is not subject to a U.S. government order suspending, revoking or denying export privileges. Each party agrees to maintain a record of exports, re-exports, and transfers of the Products and Technology for five years and to forward within that time period any required records, at the other party's request, to the applicable U.S. or foreign government agency. Each party agrees to permit audits by the other party or the U.S. or foreign government as may be required under the applicable laws and regulations.
8. **Confidentiality.** The Agreement's general Confidential Information provision applies to Managed Firewall without any time limitation, supplemented by the following terms. Each recipient of Confidential Information ("Recipient") agrees (a) to protect it from disclosure, using the same degree of care used to protect its own Confidential Information, but in any case no less than a reasonable degree of care. A Recipient may disclose Confidential Information to its employees and independent contractors who have a need to know and who are bound in writing prior to disclosure to protect the received Confidential Information from unauthorized use and disclosure; (b) to make only such copies as is reasonably required, including such proprietary legends or notices as are contained in or on the original or as the disclosing party ("Discloser") may reasonably request. If required by law, regulation or court order to disclose any of Discloser's Confidential Information, Recipient will promptly notify Discloser in writing prior to making any such disclosure in order to facilitate Discloser seeking a protective order or other appropriate remedy from the proper authority. Recipient agrees to cooperate with Discloser in seeking such order or other remedy. Recipient will furnish only that portion of the Confidential Information which is legally required and will use all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information. Confidential Information is unique and valuable, and breach by either party of this provision will result in irreparable injury to the affected Party for which monetary damages would be inadequate. In the event of a breach or threatened breach of this provision, the affected party is entitled to injunctive or other equitable relief without posting a bond (in addition to and not in lieu of monetary or other relief). All Confidential Information remains the property of Discloser. Except as otherwise expressly provided in this Agreement, all copies of Confidential Information, regardless of form, shall either be destroyed or returned to the Discloser (as the Recipient chooses) promptly upon the earlier of: (a) Discloser's written request, or (b) termination or expiration of service under this attachment.
9. **Service Activation Date.** Billing of MRCs will commence as of the date Managed Firewall has been made available for operation by MCI, to be indicated to Customer by the MCI Installation Engineer ("Service Activation Date"). In no event will the Service Activation Date be deemed to have occurred before: (a) MCI has shipped all necessary hardware and software for Managed Firewall to Customer; and (b) if MCI activation is required for Managed Firewall, the date that MCI has offered to provide such activation for Customer.
10. **Early Termination Charge.** If Customer terminates any part of Managed Firewall service ordered under this service attachment, or any portion thereof, during a service term, except for termination for Cause, such termination shall not be effective until 30 days after MCI receives written notice of termination (the "Termination Effective Date"); and Customer will pay, within 30 days after such Termination Effective Date, for each unit of Managed Firewall service terminated before its service term commitment has ended: (a) all accrued but unpaid charges for the Managed Firewall service incurred through the Termination Effective Date; plus (b) an amount equal to the total of the monthly recurring charges for the terminated Managed Firewall service remaining in the first year of the service term, if any; plus (c) an amount equal to 75% of the MRCs for the balance of the committed service term after the first year of the service term, if applicable; plus (d) all fees or early termination penalties (if any) imposed by the telco line provider; plus (e) a pro rata portion of any and all credits received by Customer, provided that, in no event will Customer's total termination liability exceed the full contract value of the terminated Managed Firewall service.
11. **Return of Equipment.** Upon termination or expiration of the Managed Firewall service, each party shall return to the other party immediately all property of the other party then in such party's possession, custody, or control. Within 10 days after such termination or expiration Customer shall return all components of the Firewall System to MCI (as MCI directs) at Customer's expense. If a Customer fails to return all components of the Firewall System to MCI within 10 days after termination or expiration, MCI may continue billing Customer and Customer will pay the monthly recurring charges for the Managed Firewall. If Customer fails to return all components of the Firewall System to MCI within 60 days after termination or expiration, MCI may bill Customer and Customer will pay the full then-current net book value of the unreturned components.

MCI Service Agreement

12. **Software Ownership and Licenses.** Managed Firewall service may include certain publicly available software components (the "Open Source Components"). Each Open Source Component is a separate and independent work, and therefore, is subject to its own end user license agreement ("EULA"), principally what is known as the General Public License. As between MCI (including its suppliers) and Customer, MCI (or its ultimate suppliers or licensors, as applicable) retain all right, title and interest in and to all programs and hardware (other than Open Source Components) provided by MCI.

QWEST TOTAL ADVANTAGE® AGREEMENT – Option Z
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This Qwest Total Advantage Agreement ("Agreement") is between Qwest Communications Corporation including its subsidiaries ("Qwest" or "QCC") and Hospital Networks Management, Inc. ("Customer") and is effective on the date QCC signs it ("Effective Date"). If Qwest Interprise America, Inc.'s ("QIA") Select Advantage™ are attached to this Agreement, the QCC signature on this Agreement means that QCC is acting as QIA's agent for those terms. The offer contained in this document is only valid through September 16, 2006 and will expire if Customer does not execute and deliver the Agreement to QCC on or before that date.

CUSTOMER: Hospital Networks Management, Inc.

QWEST COMMUNICATIONS CORPORATION

By: Randall W. Zinke
Name: Randall W. Zinke
Title: President
Date: 8/18/06

By: Sylvia Dugre
Name: Sylvia Dugre on behalf of Stephen
Title: Director – Offer Management Brinkman
Date: 8/21/06

1. **Services.** QCC will provide, and Customer will purchase, the services ("Services") set forth in service exhibits ("Service Exhibits") and/or the QIA Select Advantage Terms ("Select Terms") attached hereto. Customer agrees that it will not resell the Services and that its use of the Services will comply with all applicable laws. Qwest will provide Service if: (a) there is a valid, accurate, and complete Order Form submitted by Customer; (b) adequate capacity is available; and (c) Qwest accepts the Order Form. Qwest reserves the right to change material features or functions of Service upon not less than 30 days prior written notice; provided that Qwest may reduce the foregoing notice period, as necessary, if such modification is based upon Regulatory Activity. The Service Exhibits attached hereto as of the Effective Date are:

▪ **DOMESTIC QWEST IQ NETWORKING SERVICE EXHIBIT & PRICING ATTACHMENT**

▪ **LOCAL ACCESS SERVICE EXHIBIT & PRICING ATTACHMENT**

2. **Term; Commitment.** Customer's "Revenue Commitment" and "Initial Term" are: \$10,000/month; three years; (Code: 191039). During the Initial Term, Qwest will apply: (a) for Dynamic Rates, the rates in effect as of the Effective Date unless Customer receives a promotional net rate or custom Net Rates; or (b) for Static Rates, the rates that are in effect at the time the service is ordered. At the end of the Initial Term, this Agreement will automatically renew for consecutive renewal periods equal to the Initial Term (a "Renewal Term") if not terminated earlier in accordance with this Agreement. When the Agreement renews, Qwest will apply: (c) for Dynamic Rates, the then-current rates unless Customer received a promotional net rate or custom Net Rates; or (d) for Static Rates, the rates that are in effect at the time the service is ordered. After the conclusion of each Service's minimum service period, Qwest reserves the right to modify Static Rates and promotional discounts off Dynamic Rates upon not less than 30 days prior written notice to Customer; provided that Qwest may reduce the foregoing notice period or modify rates or discounts prior to the conclusion of the minimum service period, as necessary, if such modification is based upon Regulatory Activity. Except for modifications to intrastate voice services, if such modification (i) materially and adversely affects the Customer; and (ii) is less than the prevailing industry standard for Service at the time of such modification; and (iii) is not required by the government or judicial action, then Customer may terminate this Agreement upon thirty (30) days prior written notice without liability for early termination charges; provided however, that Customer provides Qwest written notification of its intent to terminate this Agreement pursuant to this Section within thirty (30) days following the effective date of such modification; and following such notice, Qwest does not agree to mitigate such modification. The Ramp Period, Initial Term and each Renewal Term are referred to as the "Term." The parties agree that any reference to "QTA Discount" in a Service Exhibit containing Net Rates will be disregarded, and the rates set forth in the Service Exhibit are in lieu of all other rates, discounts, or promotions.

3. **Credit.** Customer will receive a promotional credit not to exceed TEN-THOUSAND DOLLARS (\$10,000) to be applied to Customer's invoice at month 2 for QCC Services provided to Customer under this Agreement, provided, however, that if Customer terminates this Agreement for any reason other than Cause during the Initial Term or if Qwest terminates the Agreement for Cause, Customer shall remit to QCC the promotional credit applied to Customer's billing.

4. **Contributory Charges.** Following an initial 3 month ramp period from the Effective Date ("Ramp Period"), Customer's aggregate Contributory Charges must equal or exceed the Revenue Commitment during each Measurement Period. The Initial Term will begin upon the end of the Ramp Period. Customer's aggregate Contributory Charges must equal or exceed the Revenue Commitment during each Measurement Period. Customer authorizes QCC, its Affiliates, or its agents to use billing information to measure Customer's Revenue Commitment. If Customer fails to meet its Revenue Commitment, Customer must pay QCC a Shortfall charge.

5. **Payment.** QCC recognizes the Customer will be utilizing the Universal Service Fund's (USF) Rural Health Care program for payment of a portion of the monthly QCC charges. In year one of this Agreement, Customer must pay QCC all charges for the first, second and third month invoices within ninety days from the date of the first month invoice. For years two and three of this Agreement, Customer must pay QCC all charges on the June, July, August and September invoices within one hundred-twenty (120) days from the date of the June invoice for each year. All other monthly charges must be paid within thirty (30) days from the invoice date. Any amount not paid when due will be subject to a late interest charge of one percent (1%) per month. In the event the USF credits are not approved then the Customer will pay the outstanding balance on the non-approved USF credits within thirty (30) days of notification that the USF credits are not approved. Customer must also pay QCC any applicable Taxes assessed in connection with Customer's Services. QCC may reasonably modify the payment terms or require other assurance of payment based on Customer's payment history or a material and adverse change in Customer's financial condition.

QWEST TOTAL ADVANTAGE® AGREEMENT – Option Z
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6. Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN A SERVICE EXHIBIT, THE SERVICES ARE PROVIDED WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF TITLE, NONINFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN A SERVICE EXHIBIT, CUSTOMER ASSUMES TOTAL RESPONSIBILITY FOR USE OF THE SERVICES. QCC DISCLAIMS: (A) ANY LIABILITY FOR LOSS, DAMAGE, OR INJURY TO ANY PARTY AS A RESULT OF ANY CPE; AND (B) ALL WARRANTIES FOR CPE.

7. Limitation of Liability.

7.1 NEITHER PARTY, ITS AFFILIATES, AGENTS, OR CONTRACTORS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, RELIANCE, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR FOR ANY LOST PROFITS OR REVENUES OR LOST DATA OR COSTS OF COVER RELATING TO THE SERVICES OR THIS AGREEMENT, REGARDLESS OF THE LEGAL THEORY UNDER WHICH SUCH LIABILITY IS ASSERTED. WITH REGARD TO ANY SERVICE-RELATED CLAIM BY CUSTOMER FOR DAMAGES THAT IS NOT LIMITED BY THE PRECEDING SENTENCE, CUSTOMER'S EXCLUSIVE REMEDIES FOR SUCH CLAIM WILL BE LIMITED TO: (A) THOSE REMEDIES SET FORTH IN THE APPLICABLE SERVICE LEVEL AGREEMENT; OR (B) IF NO SERVICE LEVEL AGREEMENT APPLIES TO THE AFFECTED SERVICE, THE TOTAL MRCs OR USAGE CHARGES PAID BY CUSTOMER TO QCC FOR THE AFFECTED SERVICE IN THE ONE MONTH IMMEDIATELY PRECEDING THE OCCURRENCE OF THE EVENT GIVING RISE TO THE CLAIM. EACH PARTY'S TOTAL AGGREGATE LIABILITY ARISING FROM OR RELATED TO THIS AGREEMENT WILL NOT EXCEED THE TOTAL MRCs AND USAGE CHARGES PAID BY CUSTOMER TO QCC UNDER THIS AGREEMENT IN THE THREE MONTHS IMMEDIATELY PRECEDING THE OCCURRENCE OF THE EVENT GIVING RISE TO THE CLAIM ("DAMAGE CAP"). Notwithstanding the foregoing, the limitation of liability in this Section and the Damage Cap will not apply to: (c) a party's indemnification obligations; and (d) Customer's payment obligation for all charges under this Agreement, including without limitation, Service charges, Taxes, interest, Shortfall charges, Early Termination Charges, and Service cancellation charges.

7.2 Any claim or dispute arising out of or relating to this Agreement must be brought within two years after the cause of action arises.

8. Personal Injury, Death, and Property Damage. Each party will be responsible to the other party for the actual, physical damages directly caused by its negligent acts or omissions in the course of its performance under this Agreement, limited to damages resulting from personal injury or death to a party's employees and loss or damage to a party's personal tangible property. Damages under this Section will be subject to the limitation of liability in this Agreement but not the Damage Cap.

9. Indemnification. Each party will defend and indemnify the other party, its Affiliates, agents, and contractors against all third party claims, liabilities, costs, and expenses, including reasonable attorneys' fees, involving personal injury or death to persons or loss or damage to personal tangible property resulting from the gross negligence or willful misconduct of the indemnifying party. Furthermore, Customer will defend and indemnify QCC, its Affiliates, agents, and contractors against all third party claims, liabilities, costs, and expenses, including reasonable attorneys' fees, arising from or related to the modification, or resale of the Services by Customer or End Users, or the violation of the AUP.

10. Termination.

10.1 Service; Service Exhibit. Customer may terminate an individual Service or a Service Exhibit and all Service provided under that Service Exhibit for any reason with thirty (30) days for narrow band (DS-0 and DS-1) and sixty (60) days for broad band (DS-3 and higher) prior written notice to Qwest. If Service or a Service Exhibit is terminated prior to the expiration of any Service's minimum service period set forth in a Service Exhibit, then Customer will pay Cancellation Charges (except if Customer terminates for Cause). Cancellation Charges count as Contributory Charges. Customer will remain liable for charges accrued but unpaid as of the termination date.

10.2 Agreement. Either party may terminate this Agreement and all QCC Service: (a) by providing written notice to the other party at least 60 days prior to the expiration of the then current Term; or (b) for Cause. If Customer terminates this Agreement for Service-related claims, Cause exists where there is cause to terminate all or substantially all of the Services in accordance with the applicable service level agreements or Service Exhibits. If the Customer terminates the Agreement for Convenience or QCC terminates it for Cause prior to the conclusion of the Term, then Customer will pay the Early Termination Charge and any applicable Cancellation Charges described above. Cancellation Charges are deducted from the Early Termination Charge.

11. CPNI. Telecommunications companies are required by law to treat Customer Proprietary Network Information (CPNI) confidentially. Customer agrees that Qwest may share CPNI within its business operations (such as its wireless, local, long distance, and broadband services divisions), as well as with businesses acting on Qwest's behalf, to determine whether Customer could benefit from the wide variety of Qwest products and services, and in its marketing and sales activities. Customer may withdraw its authorization at any time by informing Qwest in writing. Customer's decision regarding Qwest's use of CPNI will not affect the quality of service Qwest provides Customer.

12. Confidentiality; Publicity. Neither party will, without the prior written consent of the other party: (a) issue any public announcement regarding, or make any other disclosure of the terms of, this Agreement or use the name or marks of the other party or its Affiliates; or (b) disclose or use (except as expressly permitted by, or required to achieve the purposes of, this Agreement) the Confidential Information of the other party. Such consent may only be given on behalf of Qwest by its Legal Department. A party may disclose Confidential Information if required to do so by a governmental agency, by operation of law, or if necessary in any proceeding to establish rights or obligations under this Agreement, provided that the disclosing party gives the non-disclosing party reasonable prior written notice.

QWEST TOTAL ADVANTAGE® AGREEMENT – Option Z
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13. Dispute Resolution.

13.1 Governing Law; Forum. Colorado state law, without regard to choice-of-law principles, governs all matters arising out of, or relating to, this Agreement. Any legal proceeding arising out of, or relating to this Agreement, will be brought in a United States District Court, or absent federal court jurisdiction, in a state court of competent jurisdiction, in the location of the party to this Agreement not initiating the action, as indicated in the Notices section. Notwithstanding the foregoing, Qwest may initiate proceedings in Denver, Colorado to collect undisputed amounts billed.

13.2 Waiver of Jury Trial and Class Action. Each party, to the extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury and any right to pursue any claim or action arising out of or relating to this Agreement on a class or consolidated basis or in a representative capacity.

14. Notices.

14.1 Required Notices. Customer's current address, facsimile number, and person designated for notices are: 6448 Hwy 290 E, Ste E101, Austin TX, 78761; (512) 452 - 4313; Attention: President. Except as otherwise provided herein, all required notices to QCC must be in writing and sent to 1801 California Street, Suite 900, Denver, Colorado 80202; Facsimile #: (888) 778-0054; Attn.: Legal Department, and to Customer at its then current address as reflected in QCC's records (if different than what is stated in this Section); Attn.: General Counsel or other person designated for notices. Except as otherwise provided herein or in a Service Exhibit, all notices will be deemed given: (i) when delivered in person to the recipient named above; (ii) three business days after mailed via regular U.S. Mail; (iii) when delivered via overnight courier mail; or (iv) when delivered by facsimile so long as duplicate notification is also sent by regular U.S. Mail.

14.2 Service Termination Notices. Customer's notice of termination for QCC Services must be sent via mail, facsimile or e-mail to: Qwest, Attn.: Dublin Service Center, GBM Disconnects, 4650 Lakehurst, 2nd Floor Disconnect Center, Dublin, OH 43017, FAX: 866.887.6633, e-mail: GBMdisconnects@qwest.com. Such termination will be effective 30 days after QCC's receipt of the notice, unless a longer period is otherwise required.

15. Assignment. Either party may assign this Agreement without the other party's prior written consent: (a) in connection with the sale of all or substantially all of its assets; (b) to the surviving entity in any merger or consolidation; (c) to an Affiliate; or (d) to satisfy a regulatory requirement imposed upon a party by a governmental body with appropriate authority; provided such party gives the other party 30 days prior written notice of such assignment. Any assignee of the Customer must have: (e) a financial standing and creditworthiness equal to or better than Customer's, as reasonably determined by Qwest, through a generally accepted, third party credit rating index (i.e. D&B, S&P, etc.). Any other assignment will require the prior written consent of the other party.

16. General. This Agreement is intended solely for QCC and Customer and it will not benefit or be enforceable by any other person or entity, including without limitation, End Users. If any term of this Agreement is held unenforceable, such term will be construed as nearly as possible to reflect the original intent of the parties and the remaining terms will remain in effect. Except for time requirements as specifically stated in a Service Exhibit or SLA, neither party's failure to insist upon strict performance of any provision of this Agreement will be construed as a waiver of any of its rights hereunder. All terms of this Agreement that should by their nature survive the termination of this Agreement will so survive. In the event of a conflict in any term of any documents that govern the provision of Services hereunder, the following order of precedence will apply in descending order of control: a Service Exhibit, this Agreement, and any Order Form. Neither party will be liable for any delay or failure to perform its obligations hereunder if such delay or failure is caused by a Force Majeure Event. This Agreement, any applicable Service Exhibit, and any Order Forms hereunder constitute the entire agreement between Customer and QCC with respect to the subject matter hereof, and supersede all prior oral or written agreements or understandings relating to the subject matter hereof. Except for Service modifications initiated by QCC or as set forth in a Service Exhibit, all amendments to this Agreement must be in writing and signed by the parties' authorized representatives. Each Party reserves the right at any time to reject any handwritten change to this Agreement.

17. Definitions.

"Affiliate" means any entity controlled by, controlling, or under common control with a party.

"Annual Period" means each twelve month period following the Ramp Period.

"AUP" means the Qwest Acceptable Use Policy, which is posted at <http://www.qwest.com/legal/>.

"Cancellation Charge" means: (a) early termination charges that apply if a Service is terminated prior to meeting its minimum service period described in the Service Exhibit; and (b) charges incurred by QCC from any third party provider as a result of an early termination.

"Cause" means the failure of a party to perform a material obligation under this Agreement, which failure is not remedied: (a) in the event of a payment default by Customer, within fifteen (15) days of separate written notice from QCC notifying Customer of such default; or (b) in the event of any other material breach, within 30 days of written notice (unless a different notice period is specified in this Agreement).

"Confidential Information" means any information that is not generally available to the public, whether of a technical, business, or other nature and that: (a) the receiving party knows or has reason to know is confidential, proprietary, or trade secret information of the disclosing party; and/or (b) is of such a nature that the receiving party should reasonably understand that the disclosing party desires to protect such information against unrestricted disclosure. Confidential Information will not include information that is in the public domain through no breach of this Agreement by the receiving party or is already known or is independently developed by the receiving party.

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"Contributory Charges" means: (a) all MRCs and usage charges for Services ordered under this Agreement after the Effective Date and incurred during the Term; (b) all MRCs and usage charges for QC Contributory Services, QIA Contributory Services, Qwest Wireless Contributory Service, QCC Logic™, QCC Qwest Choice™ Unlimited, and QCC Keynote Perspective™ ordered before or after the Effective Date under separate agreements and incurred during the Term; and (c) Service Cancellation Charges paid by Customer. Contributory Charges do not include local access, pass-through, CPE, and uncollectible charges; nonrecurring charges ("NRCs"); Taxes; Conferencing advanced feature charges; worldcard® payphone surcharges; other surcharges; issued credits; or other charges not specified as Contributory Charges under this Agreement.

"Convenience" means any reason other than Cause.

"CPE" means any customer equipment, software, and/or other materials of Customer used in connection with the Service.

"CPNI" means Customer Proprietary Network Information, which includes confidential account, usage, and billing-related information about the quantity, technical configuration, type, destination, location, and amount of use of a customer's telecommunications services. CPNI reflects the telecommunications products, services, and features that a customer subscribes to and the usage of such services, including call detail information appearing in a bill. CPNI does not include a customer's name, address, or telephone number.

"Early Termination Charge" means an amount equal to: (a) 100% of the Revenue Commitment multiplied by the number of months remaining in the then current Annual Period in which the Agreement is terminated (or the first Annual Period after the Ramp Period if the Agreement is terminated in the Ramp Period); plus (b) 35% of the total Revenue Commitment for any other Annual Period(s) remaining in the Term.

"End Users" means Customer's members, end users, customers, or any other third parties who utilize or access the Services or the QCC network via the Services provided hereunder.

"Force Majeure Event" means an unforeseeable event beyond the reasonable control of that party, including without limitation: act of God, fire, flood, labor strike, sabotage, cable cut not caused by Qwest, acts of terror, government laws or regulations, or war or civil disorder.

"Measurement Period" means each monthly billing cycle following the Ramp Period.

"Net Rate" is in lieu of all other rates, discounts, and promotions, including the QTA Discount.

"Order Form" means order request forms issued by QCC.

"QC Contributory Services" means the following services provided by Qwest Corporation ("QC"):

- (a) Switched business communications services - Centrex and Centron®;
- (b) Complex access services - Analog Trunks, Digital Switched Service (DSS), ISDN Services, Uniform Access Solution, and Self Healing Alternate Route Protection (SHARP);
- (c) Access line services - Custom Choice™ Business and Business Local Exchange;
- (d) LAN/WAN services - LAN Switching Services (LSS), business DSL, ATM (IntraLATA), and Frame Relay (IntraLATA);
- (e) Private Line services - Digital Data Service (DDS) and Private Line; and
- (f) Other services - Call Reports, Contract Toll, and Directory Services.

"QIA Contributory Services" means the following services provided by Qwest Interprise America, Inc.: Desktop Management Services, Network Management Services, Telecom Management Services, and IPsec Tunnel Management.

"Qwest Wireless Contributory Service" means business wireless phone service provided by Qwest Wireless, L.L.C.

"Regulatory Activity" means any regulation and/or ruling, including modifications thereto, by any regulatory agency, legislative body or court of competent jurisdiction.

"Shortfall" means an amount equal to the difference between the Revenue Commitment and Customer's Contributory Charges paid during the Measurement Period.

"Taxes" means excise, gross receipts, sales, privilege, or other tax (other than net income) now or in the future imposed by any governmental entity attributable or measured by the sale price or transaction amount.

Option Z Pricing Used (for Qwest Billing purposes)

**QWEST TOTAL ADVANTAGE® AGREEMENT
DOMESTIC QWEST IQ NETWORKING® SERVICE EXHIBIT**

1. General; Definitions. Except as set forth in this Service Exhibit, capitalized terms have the definitions assigned to them in the Agreement. Qwest will provide Domestic Qwest IQ Networking Service ("Service") under the terms of the Agreement and this Service Exhibit.

"Mail Bagging" is the process of storing emails for later delivery when Customer's primary mail server is unavailable.

"Net Rate" is in lieu of all other rates, discounts, and promotions, including the QTA Discount.

"Pricing Attachment" means a document containing rates specific to the Service and is incorporated by reference and made a part of this Service Exhibit.

"SLA" means the service level agreement specific to the Service, located at <http://www.qwest.com/legal/>, which is subject to change.

"Start of Service Date" means the date Qwest notifies Customer that the Service is provisioned and ready for use.

2. Service.

2.1 Description. Service is a data and IP solution that is designed for private communications between Customer's sites or public (dedicated) Internet connectivity. Service includes ports and features, and the rate of data transmission and features will vary depending upon the specific type of port ("Port") ordered. Service is subject to the Qwest IQ Networking® SLA, which provides Customer's sole remedy for any service interruptions or deficiencies. Qwest reserves the right to amend the SLA effective upon posting to the website or other notice to Customer. Unless the parties otherwise agree in writing, Customer has sole responsibility for ordering, securing installation and ensuring proper operation of any and all equipment required to enable Customer to receive the Service. For purposes of this Service Exhibit, "Order Form" means an electronic order confirmation process utilizing an architecture confirmation document ("ACD") that Customer and Qwest mutually agree to prior to submitting a Service order request. Each ACD must be approved by Qwest and sent via e-mail or fax to a Qwest Order Engineering Center. Subject to availability, Qwest will use commercially reasonable efforts to secure domain names and assign Internet address space for the benefit of Customer during the term. Neither Customer nor any End Users will own or route these addresses. Qwest owns all such IP addresses and, upon termination of Service, Customer's access to the IP addresses will cease.

2.2 Ports and Features. Ports are available in a variety of speeds, ranging from 56 Kbps to 2.4 Gbps, and in three unique Port types. Different features are included within each Port type. The local access connection between a Customer location and a Port is provided pursuant to the Local Access Service Exhibit. The three Port types are:

(a) **Internet Port.** Internet Ports provide Customer locations with connectivity to the Internet. If Customer is using frame relay access to an Internet Port, the Committed Information Rate ("CIR") is equal to 25% of the selected Port speed. Customer is permitted to burst beyond the applicable CIR to full Port speed based upon bandwidth availability.

(b) **Private Port.** Private Ports provide WAN connectivity between Customer locations. Customer may allocate traffic to point-to-point layer 2 connections or layer 3 MPLS services with template-based Quality of Service ("QoS") traffic prioritization (QoS feature description is available upon request). Private Ports may have traffic allocated to a maximum of five different point-to-point layer 2 connections, or layer 3 MPLS Closed User Groups ("CUGs"). Notwithstanding the foregoing, Customer may have up to 10 Ports within the network used by Qwest IQ Networking service that exceed this maximum, provided that the number of connections/CUGs for those Ports does not exceed the number of Ports in the network, and Customer has obtained the prior consent of Qwest.

(c) **Enhanced Port.** Enhanced Ports provide all of the functionality of both an Internet Port and a Private Port in a consolidated communications solution. Enhanced Ports may have traffic allocated to a maximum of five different point-to-point layer 2 connections, layer 3 MPLS CUGs, or an Internet Gateway. Notwithstanding the foregoing, Customer may have up to 10 Ports within the network used by Qwest IQ Networking service that exceed this maximum, provided that the number of connections/CUGs for those Ports does not exceed the number of locations in the network, and Customer has obtained the prior consent of Qwest.

2.3 Mail Boxes and Mail Bagging. Customer may order mail boxes in connection with Internet Ports and/or Enhanced Ports, and Mail Bagging in connection with Internet Ports. Mail boxes are sold in blocks of 10 email addresses. Mail Bagging automatically attempts to send any stored emails to Customer for up to 72 hours, after which the stored email will be deleted. Mail boxes and Mail Bagging are provided on a month to month basis and either party may cancel those services with 30 days written notice to the other party. Mail boxes and Mail Bagging are not subject to the SLA.

3. Term; Cancellation. This Service Exhibit will commence upon the Effective Date of the Agreement (or, if applicable, an amendment to the Agreement if this Service Exhibit is added to the Agreement after its Effective Date) and will remain in effect until canceled. Either party may cancel this Service Exhibit with at least thirty (30) days for narrow band (DS-0 and DS-1) and sixty (60) days for broad band (DS-3 and higher) prior written notice to the other party. For any Port that does not remain installed for 12 months from the Start of Service Date, Customer will pay to Qwest a Cancellation Charge equal to the standard NRC rate applicable to that Port unless the Port is canceled by Customer for Cause.

4. Charges.

QWEST TOTAL ADVANTAGE® AGREEMENT
DOMESTIC QWEST IQ NETWORKING® SERVICE EXHIBIT

4.1 Discounts. The Net Rate MRCs set forth in the Pricing Attachment will be used to calculate Contributory Charges. No discounts apply.

4.2 NRC Waiver. So long as Customer is not in default of any obligations under the Agreement, Qwest will waive the Install NRCs for Internet Ports and Private Ports that remain installed for at least 12 months. Enhanced Ports are not eligible for any waiver or discount off Install NRCs.

4.3 Port Pricing. Customer may order multiple Ports with multiple pricing methodologies in accordance with the pricing methodologies set forth below. Customer may not change the pricing methodology (e.g., from Flat Rate to Precise Burstable) of a Port. Customer may, however, upgrade a Port to a higher bandwidth within the same pricing methodology (e.g., from a DS1 to a DS3) without incurring an early Cancellation Charge for the canceled Port. Customer is obligated to pay all applicable MRCs and NRCs set forth in the Pricing Attachment. Charges will commence within five days of the Start of Service Date. The rates set forth in the Pricing Attachment do not include any costs associated with local access or CPE, all of which are additional.

4.4 Pricing Methodologies. Customer understands that it cannot order international Service pursuant to this Service Exhibit. If Customer wishes to order any such international Services, Customer must execute a separate written amendment to the Agreement and this Service Exhibit.

(a) **Flat Rate.** The Flat Rate pricing methodology bills Customer a fixed MRC regardless of Customer's actual bandwidth utilization.

(b) **Tiered.** The Tiered pricing methodology caps Customer's bandwidth at the tier specified on an Order Form and bills the Customer a fixed MRC based on that bandwidth tier regardless of Customer's actual bandwidth utilization. No more than once per month, Customer may change its specific bandwidth tier (e.g., 192 Kbps to 384 Kbps, 384 Kbps to 256 Kbps) within the applicable Port classification (e.g., DS1, DS3), provided that Customer may not change its bandwidth from one Port classification to another (e.g., DS1 to DS3).

(c) **Precise Burstable.** Usage samples are taken every five minutes throughout the month. Only one sample is captured for each five-minute period, even though there are actually two samples taken; one for inbound utilization and one for outbound utilization. The higher of these two figures is retained. At the end of the billing period, the samples are ordered from highest to lowest. The result is a database of over 8,000 samples. The top 5% of the samples (representing the top 5% of usage levels) are discarded. The highest remaining sample is used to calculate the usage level. This is the 95th percentile of peak usage. For each Precise Burstable Port ordered hereunder, Customer will pay an MRC calculated by multiplying Customer's 95th percentile of peak usage in a given month by the applicable MRC per Mbps.

(i) Within each Precise Burstable Port classification (e.g., DS1, DS3), Customer will be subject to the minimum usage amount set forth in the column heading of the applicable Precise Burstable pricing table ("Precise Burstable Minimum"). Customer will be billed the greater of the Precise Burstable Minimum or the actual charges based upon its 95th percentile of peak usage.

(d) **Data Transfer.** Usage samples are taken every five minutes throughout the month. Samples are taken for both in-bound utilization and out-bound utilization. Customer will be billed for the sum total of both inbound and outbound utilization. Charges are applied using a stepped or "metered" methodology such that Customer's traffic will be billed incrementally at each volume tier. For example, if Customer's total volume on a DS1 circuit is 10 GB, the first 7 GB of such total would be billed at the 0-7 GB tier, and the remaining 3 GB would be billed at the 7.01-17 GB tier. For each Data Transfer Port ordered hereunder, Customer will pay an MRC calculated by multiplying Customer's volume of data transferred in a given month (in GBs) by the applicable MRC per GB.

(i) Within each Data Transfer Port classification (e.g., DS1, DS3), Customer will be subject to the minimum usage amount set forth in the column heading of the applicable Data Transfer pricing table ("Data Transfer Minimum"). Customer will be billed the greater of the Data Transfer Minimum or the actual charges based upon its actual volume of data transferred.

5. AUP. All use of the Services will comply with the AUP, posted at <http://www.qwest.com/legal/> and incorporated by reference into this Service Exhibit. Qwest may reasonably modify the AUP to ensure compliance with applicable laws and regulations and to protect Qwest's network and customers, and such change will be effective upon posting to the website. Any changes to the AUP will be consistent with the purpose of the AUP to encourage responsible use of Qwest's networks, systems, services, web sites, and products.

QWEST TOTAL ADVANTAGE® AGREEMENT
DOMESTIC QWEST IQ NETWORKING® SERVICE EXHIBIT
PRICING ATTACHMENT

1. Flat Rate Net Rates.

Flat Rate Internet Port Other Access	Install NRC	Net Rate MRC
DS1	\$500.00	\$320.00
2 x DS1 (3 Mbps)	\$1,000.00	\$580.00
3 x DS1 (4.5 Mbps)	\$1,000.00	\$870.00
4 x DS1 (6 Mbps)	\$1,000.00	\$1,160.00
5 x DS1 (7.5 Mbps)	\$1,000.00	\$1,450.00
6 x DS1 (9 Mbps)	\$1,000.00	\$1,740.00
7 x DS1 (10.5 Mbps)	\$1,000.00	\$2,032.00
8 x DS1 (12 Mbps)	\$1,000.00	\$2,320.00

1.1 Precise Burstable Net Rates.

Precise Burstable DS1 (Precise Burstable Minimum = 56 Kbps) Internet Port Other Access	Install NRC	Net Rate MRC Per Mbps (minimum monthly charge per port = \$200.00)
0.0 - 56 Kbps	\$500.00	\$3,571.43
57 - 128 Kbps	\$500.00	\$2,596.00
129 - 256 Kbps	\$500.00	\$1,429.00
257 - 384 Kbps	\$500.00	\$832.00
385 - 512 Kbps	\$500.00	\$761.72
513 - 640 Kbps	\$500.00	\$625.00
641 - 768 Kbps	\$500.00	\$585.94
769 - 1.544 Kbps	\$500.00	\$306.00

1.2 Tiered Pricing Net Rates.

Tiered DS1 Internet Port Other Access	Install NRC	Net Rate MRC
128 Kbps	\$500.00	\$250.00
192 Kbps	\$500.00	\$275.00
256 Kbps	\$500.00	\$299.00
384 Kbps	\$500.00	\$320.00
512 Kbps	\$500.00	\$375.00
768 Kbps	\$500.00	\$425.00

2. Mail Boxes and Mail Bagging.

Description	MRC
Mail Boxes	\$20.00 MRC per each block of 10 email boxes
Mail Bagging	*\$50.00 MRC per Port

*As of the Service Exhibit Effective Date, Qwest is waiving the Mail Bagging MRC so long as Customer is not in default of any obligations under the Agreement or this Service Exhibit. Qwest may discontinue waiving the MRC at any time without prior notice.

**QWEST TOTAL ADVANTAGE® AGREEMENT
LOCAL ACCESS SERVICE EXHIBIT**

1. **General.** Except as set forth in this section and elsewhere in this Exhibit, capitalized terms will have the definitions assigned to them in the Agreement. Qwest will provide local access service ("Service") pursuant to the terms and conditions of the Agreement, the Services Schedule, and this Exhibit.

2. **Definitions.**

"ATM Local Access" means Leased Access using ATM technology. Service is available in bandwidths of DS1, DS3, OC3, and OC12.

"Collocation" means Customer has leased space in a QPOP, a remote collocation site, or a collocation hotel per a Qwest Collocation Agreement.

"CO Meet Point" means Leased Access at a third party local access provider Central Office ("CO") when Customer has a dedicated connection to the CO.

"Construction" means the special construction that Customer requests to extend Service to a Customer demarcation point not covered by "Extended Wiring."

"CPA Dedicated Facilities" means Qwest has dedicated entrance facilities leased from a third party local access provider.

"CPA Non-Dedicated Facilities" means Qwest does not have dedicated entrance facilities with a third party local access provider.

"Cross-Connect" means an intra-POP connection between certain Customer facilities with direct access (via collocation or direct connection) to the Qwest Domestic Network (either located within Qwest's transport area or Qwest's collocation area) and the Qwest backbone access point. Customer must have a valid Collocation Agreement or a valid Direct Connect Agreement with Qwest to receive Cross-Connects.

"Customer Provided Local Access" or "CPA" means Customer orders its own local access from a third party local access provider to connect the Customer premises to the Qwest Domestic Network at a Demarcation Point specified by Qwest. Customer will pay a CPA charge to Qwest when utilizing CPA Dedicated Facilities. The CPA will be the responsibility of the customer and Qwest will not trouble shoot components of the CPA.

"Demarcation Point" means: (a) the physical interface between the Qwest Domestic Network and the Customer telecommunications equipment; or (b) the physical interface between a third party carrier connecting the Qwest Domestic Network to the Customer's telecommunications equipment.

"Direct Connect" means Qwest in its sole discretion allows Customer to bring its own fiber directly to the Qwest fiber. All Direct Connects require: (a) splicing of Customer and Qwest fibers; (b) cross-connection of individual circuits; and (c) an executed Direct Connect Agreement.

"Estimated Availability Date" means Qwest's target date for the delivery of Service.

"Ethernet Local Access" means Qwest Provided Access using Ethernet technology. Ethernet Local Access is available at bandwidths varying from 1 Mbps to 1,000 Mbps (1G).

"Extended Wiring" means additional wiring requested for orders where the Customer demarcation point is not located in the same location as the Qwest assigned Demarcation Point.

"Frame Local Access" means Leased Access using Frame Relay technology. Service is available at bandwidths varying from 56 kbps to 44,736 kbps.

"Layer 3 Expansion Site" means a third-party managed, carrier-neutral collocation facility where Customer can cross-connect with Qwest to purchase iQ Internet Ports. Customer must purchase the Service (i.e., cross-connect) directly from the Layer 3 Expansion Site manager, not Qwest.

"Leased Access" means local backbone access circuits ordered and leased by Qwest from another carrier (specific carrier chosen is at the discretion of Qwest).

"Local Loop Expedite" means Customer requests the delivery of Service one or more days prior to the standard interval delivery date.

"Local Loop Change" means a circuit moves to a different Service Address within the same customer serving wire center.

"Multiplexing" means, at Customer's request and where available, Qwest multiplexes lower level local access circuits into a higher local access circuit or vice-versa.

"On-Net Access" means local backbone access circuits provided solely on Qwest owned and operated facilities. Service is available in bandwidths of DS1, DS3, OC3, OC12, and OC48. On-Net Access is subject to the SLA.

"Preferred Provider" means Customer requests a specific local access provider for Leased Access. Qwest will attempt to use the requested provider, but final routing will be at Qwest's sole discretion.

"Qwest Domestic Network" means the Qwest interexchange network or backbone located within the continental U.S. which is comprised only of physical media, including switches, circuits, and/or ports that are operated by Qwest.

"Qwest Point of Presence ("QPOP")" means a Qwest owned physical presence that lies directly on the Qwest Domestic Network where direct interconnection between the Qwest Domestic Network and a third party local access provider's network is possible.

"Qwest Provided Access" means either Leased Access or On-Net Access.

**QWEST TOTAL ADVANTAGE® AGREEMENT
LOCAL ACCESS SERVICE EXHIBIT**

"Service Address" means the building where Customer receives the Service. Only a building that is classified by Qwest as a business address can be a Service Address.

"Services Schedule" means the Qwest Rate and Services Schedules Interstate No. 3 found at <http://www.qwest.com> and at 1801 California Street, 1st Floor Reception Area, Denver, CO, applicable to telecommunications services as defined by the Communications Act of 1934, as amended.

"Special Access" means Qwest Provided Access using TDM Technology in Digital Signal speeds DS0, DS1, and DS3 or SONET technology in Optical Carrier signal speeds OC3, OC12, OC48, and OC192.

"Start of Service Date" means the earliest to occur of: (a) the date on which Customer begins to utilize the Service; or (b) five days following the date on which Service is made available for use by Customer unless Customer notifies Qwest that the Service or the Qwest interexchange carrier service or IP service on the Qwest Domestic Network ("Dedicated Service") associated with the Service does not meet the applicable performance specifications, if any. In the event that Customer notifies Qwest that the Service or the associated Dedicated Service fails to meet the performance specifications, Qwest will use reasonable efforts to remedy such failure and will provide an updated Estimated Availability Date.

"Wavelength Access" means Qwest Provided Access using Wave Division Multiplexing technology. Local Access Service is available in 2.5G and 10G bandwidth.

3. Service Description.

3.1 Types of Service. There are three types of Service: Qwest Provided Access, Customer Provided Access, and Cross-Connect.

3.2 Types of Service Technologies. The types of Service technologies are: Special Access (TDM and SONET), Wavelength Access, Frame Local Access, ATM Local Access, and Ethernet Local Access. Some technologies or speeds may not be available in all areas or with certain types of Service.

3.3 The Service provides the physical connection between the Service Address and the Qwest Domestic Network. The Service includes any entrance cable or drop wire to that point where provision is made for termination of Qwest's outside distribution network facilities at a suitable location at a Customer designated Service Address and will be installed by Qwest to such point of termination. The Service will extend to and include the equipment maintained by Qwest at the termination point of the local loop at the applicable Service Address (i.e., Demarcation Point) but will not include CPE, Extended Wiring, inside wiring, or other equipment not maintained by Qwest at a Service Address. All equipment owned by Qwest will remain the sole property of Qwest, and Customer expressly disclaims any right, title, or interest in or to any Qwest equipment or property, or in that of any of Qwest's affiliates, Customers, agents, or licensees located within the QPOP or elsewhere. Any additional terminations beyond the Demarcation Point are the sole responsibility of Customer. Under no circumstances will Qwest provide Service to a residential address, even if business is conducted at such residential location. Customer may purchase the Service only in connection with Customer's use of a Qwest Dedicated Service for which a local loop is required.

3.4 The Services Schedule applicable to Service is incorporated by reference and made a part of this Service Exhibit. Qwest may change the Services Schedule at any time and such change will be effective upon being posted in the Services Schedule.

4. Ordering of Service. Upon acceptance of an Order Form, Qwest will notify Customer of its target date for the delivery of each Service ("Estimated Availability Date"). Qwest will use commercially reasonable efforts to install each such Service on or before the Estimated Availability Date, but the inability of Qwest to deliver Service by such date will not be a default under the Agreement or this Exhibit.

5. Term. The term of any Service begins on the Start of Service Date and continues for a minimum of 12 months from the Start of Service Date, unless a longer term is specified ("Minimum Service Term"). Upon expiration of any Minimum Service Term, the Service will automatically renew on a month-to-month basis. The Minimum Service Term and any renewal term will be referred to as the "Term." Upon written notice to the other party at least 30 days prior to the conclusion of any Term, either party may terminate the Service associated with this Exhibit.

6. Cancellation.

6.1 On-Net Access Cancellation Prior to Start of Service Date. If Customer cancels an On-Net Access circuit for which no Construction by Qwest is necessary, after the fifth business day of placing the order with Qwest but prior to the Start of Service Date, then Customer agrees to pay one month's MRCs for DS-1 Special Access, or six months' MRCs for DS-3 and OC-n Special Access and all Ethernet Access. At any time prior to the Start of Service Date, if Customer cancels On-Net Access for which Construction is required, Customer will pay the cancellation and other charges set forth in the Cancellation After Start of Service section.

6.2 Leased Access Cancellation Prior to Start of Service Date. If Customer cancels a Leased Access circuit for which no Construction by Qwest is necessary, after the fifth business day of placing the order with Qwest but prior to the Start of Service Date, then Customer agrees to pay one month's MRCs for DS-0 and DS-1 Special Access, 56 Kbps to 1.5 Mbps Frame Local Access, or 12 months' MRCs for DS-3 and OC-n Special Access, 44.7 Mbps Frame Local Access, and all Ethernet Access. At any time prior to the Start of Service Date, if Customer cancels a Leased Access circuit for which Construction is required, Customer will pay the cancellation and other charges set forth in the Cancellation After Start of Service Date section.

**QWEST TOTAL ADVANTAGE® AGREEMENT
LOCAL ACCESS SERVICE EXHIBIT**

6.3 Cancellation After Start of Service Date. If this Exhibit or a particular Service is terminated for reasons other than by Customer for Cause, prior to the conclusion of the Minimum Service Term of the Service, Customer will pay: (a) all accrued and unpaid charges for the canceled Service provided through the effective date of such cancellation; (b) the amount of any nonrecurring charges that Qwest discounted or waived; (c) all installation or Construction costs and expenses incurred by Qwest to install such Service, if applicable; and (d) a cancellation charge. The cancellation charge: (e) for circuits not requiring Construction is: (i) 100% of the balance of the MRCs that otherwise would have become due for the unexpired portion of the first 12 months of the Minimum Service Term, if any, for the canceled Service; plus (ii) 35% of the balance of the MRCs that otherwise would have become due for the unexpired portion of the applicable Minimum Service Term, if any, beyond the first 12 months, if the Minimum Service Term is longer than 12 months; or (f) for Circuits requiring Construction, 100% of the balance of the MRCs that otherwise would have become due for the unexpired portion of the Minimum Service Term. Notwithstanding anything to the contrary herein, Qwest will waive the cancellation and other charges referenced herein when Customer orders and receives a replacement circuit at the same Service Address and at a higher circuit speed than the cancelled Service.

6.4 Termination of Connectivity to Customer Provided Access after Start of Service Date. Customer must provide Qwest with the written Disconnect Firm Order Confirmation ("DFOC") notice from Customer's CPA provider in order to terminate CPA. Customer will remain liable for all applicable MRCs and charges for the connectivity to CPA (regardless of whether or not it is useable by Customer) until Customer furnishes the required DFOC to Qwest.

7. Charges and Payment. Customer will pay the rates and charges set forth in the Services Schedule and/or in a valid Order Form for Service, including all applicable supplemental charges: (a) Construction; (b) Extended Wiring; (c) Local Loop Expedite; (d) Local Loop Change; and (e) Multiplexing. Customer will not receive any discount for circuits ordered on a month-to-month Term. If during the provisioning of Service, Qwest incurs additional NRCs for Construction, Extended Wiring, or order supplements to provide the Service, Qwest reserves the right to charge Customer for such charges. The Service MRCs and NRCs will not be used to calculate the Contributory Charges. Qwest reserves the right to modify the rates and charges or change certain components of the Service upon not less than 60 days prior written notice to Customer; provided that Qwest may reduce the foregoing notice period, as necessary, if such modification is based upon Regulatory Activity. If such rate modification increases Customer's rates as set forth herein by fifteen percent (15%) or greater, , Customer may terminate this Service Exhibit upon thirty (30) days prior written notice without liability for early termination charges; provided, however that (i) Customer provides Qwest written notification of its intent to terminate this Service Exhibit pursuant to this Section within thirty (30) days following the effective date of such rate modification; and (ii) following such notice, Qwest does not agree to mitigate such rate modification. Customer will receive the rates for Service contained herein regardless of whether an NPA/NXX split or overlay occurs.

8. Monitoring for Frame Local Access. When providing Frame Local Access, Customer has the option to have Qwest monitor the Service for performance and up/down stats via a management PVC. By ordering Frame Local Access with monitoring, Customer agrees to provide Qwest with access to the serial interface of Customer's CPE to allow Qwest to monitor the availability of Frame Local Access. By ordering Frame Local Access without monitoring, Customer understands that Qwest will not monitor the availability of Frame Local Access.

**QWEST TOTAL ADVANTAGE® AGREEMENT
LOCAL ACCESS SERVICE EXHIBIT
PRICING ATTACHMENT**

This pricing attachment ("Pricing Attachment") is appended to, and subject in all respects to, the Qwest Total Advantage Agreement between Qwest Communications Corporation and Customer ("Agreement") and the Local Access Exhibit to which this is attached. Except as set forth in this Pricing Attachment, capitalized terms will have the definitions assigned to them in the Agreement or the Local Access Exhibit.

(A) Customer will pay the MRCs and Install NRCs for the Local Access Service selected, i.e., Qwest Provided Access, Customer Provided Access, or Cross-Connect. In addition, Customer will pay all MRCs or NRCs for any supplemental Services, i.e., Construction, Extended Wiring, Local Loop Expedite, Local Loop Change Fee or Multiplexing.

(B) Subject to a valid, accurate Order Form, Customer will pay the MRCs and NRCs set forth in the below table for the particular Service at the Service Address and NPA/NXX listed. Customer will pay any additional Construction charges that arise during provisioning of a circuit. Except where specified below, all MRCs and NRCs set forth in the below table apply per circuit and not per Service Address. Any modifications to the NPA/NXX or physical address of a Service Address listed below will render the pricing below void, and Customer will pay the revised rates for the correct NPA/NXX or physical address.

NPA/NXX	Service Address	Type of Local Access	Minimum Service Term in months (per Service)	Circuit Speed	Local Access MRC	Install NRC
254693		Leased	12	DS1	\$ 722.00	\$ 14.00
254729		Leased	12	DS1	\$ 677.00	\$ -
254865		Leased	12	DS1	\$ 1,178.00	\$ -
325387		Leased	12	DS1	\$ 1,078.00	\$540.00
325446		Leased	12	DS1	\$ 1,254.00	\$540.00
325574		Leased	12	DS1	\$ 813.00	\$ 14.00
325597		Leased	12	DS1	\$ 891.00	\$540.00
325648		Leased	12	DS1	\$ 715.00	\$540.00
325728		Leased	12	DS1	\$ 769.00	\$ 14.00
325884		Leased	12	DS1	\$ 1,090.00	\$540.00
361526		Leased	12	DS1	\$ 500.00	\$ 14.00
361798		Leased	12	DS1	\$ 632.00	\$ 14.00
432283		Leased	12	DS1	\$ 2,481.00	\$435.00
432336		Leased	12	DS1	\$ 1,017.00	\$ 14.00
432445		Leased	12	DS1	\$ 1,586.00	\$435.00
432523		Leased	12	DS1	\$ 832.00	\$435.00
432586		Leased	12	DS1	\$ 769.00	\$ 14.00
432652		Leased	12	DS1	\$ 760.00	\$ 14.00
512837		Leased	12	DS1	\$ 150.00	\$ 14.00
806250		Leased	12	DS1	\$ 1,289.00	\$435.00
806385		Leased	12	DS1	\$ 1,088.00	\$435.00
806447		Leased	12	DS1	\$ 2,107.00	\$435.00
806637		Leased	12	DS1	\$ 1,078.00	\$435.00
806872		Leased	12	DS1	\$ 1,510.00	\$435.00
830334		Leased	12	DS1	\$ 629.00	\$ 14.00
830583		Leased	12	DS1	\$ 674.00	\$ 14.00
830775		Leased	12	DS1	\$ 2,001.00	\$540.00
830876		Leased	12	DS1	\$ 1,091.00	\$ 14.00
903577		Leased	12	DS1	\$ 619.00	\$ 14.00
903655		Leased	12	DS1	\$ 435.00	\$540.00
903799		Leased	12	DS1	\$ 672.00	\$ 14.00
903983		Leased	12	DS1	\$ 200.00	\$540.00
940325		Leased	12	DS1	\$ 572.00	\$ 14.00
940495		Leased	12	DS1	\$ 737.00	\$442.00
940759		Leased	12	DS1	\$ 773.00	\$442.00
940769		Leased	12	DS1	\$ 777.00	\$ -
940825		Leased	12	DS1	\$ 839.00	\$303.00
940872		Leased	12	DS1	\$ 640.00	\$ 14.00
956487		Leased	12	DS1	\$ 786.00	\$540.00
979245		Leased	12	DS1	\$ 684.00	\$ 14.00
979548		Leased	12	DS1	\$ 515.00	\$303.00
979578		Leased	12	DS1	\$ 684.00	\$ 14.00
979725		Leased	12	DS1	\$ 1,073.00	\$540.00

**QWEST TOTAL ADVANTAGE® AGREEMENT
LOCAL ACCESS SERVICE EXHIBIT**

NPA/NXX	Service Address	Type of Local Access	Minimum Service Term in months (per Service)	Circuit Speed	Local Access MRC	Install NRC
979865		Leased	12	DS1	\$ 578.00	\$ 14.00

(C) Customer may order additional Local Access Services which are not specified above for a specific NPA/NXX and/or Service Address. Each additional Service ordered during the Term must include a valid Qwest quote form that specifies the applicable Local Access MRC and NRC per Service. No other discounts or promotions apply. Certain types of Service have separate service or agreement requirements as defined in the Local Access Service Exhibit.

(D) **Leased and On-Net Current and Future Loops Qwest Provided Access Install NRC Discount.** Qwest Provided Access Install NRC(s) specified above or on a valid quote form during the Term will receive a 100% discount so long as such Service ordered hereunder and subject to this discount remains installed and used by Customer for the duration of the Minimum Service Term. Supplemental NRCs, including but not limited to: Construction, Extended Wiring, Local Loop Expedite, Local Loop Change Fee and Multiplexing, Customer Provided Access NRCs, and Cross-Connect NRCs are not eligible for any discount.

Attachment F

Invoice analysis form USAC decision dated February 10, 2009

HNM restated invoice analysis

HNM Account Activity for Verizon Services in FY2003

(\$48,987.29) Verizon Charged for HNM Business Accounts
(\$229,110.89) Verizon Charged for HCP Service
\$59,912.77 Payments on the Account
\$14,164.01 Verizon Issued Credits
\$152,062.02 USAC Funding as applied by Verizon on account

(\$51,959.38) Balance due on account at end of funding year 2003

HNM Charges to HCP for Services provided in FY2003

\$19,517.15 HNM Charged to HCP for FY2003
(\$10,925.48) Amount HNM Paid Verizon (=\$59,912.77 (Payments on Account) less
\$48,987.29 (Verizon Charged for HNM Business Accounts))

\$8,591.67 Balance

Analysis After all USAC funding applied, an additional \$51,959.38
remains due to Verizon.

Additionally, review of documents shows that HNM collected \$19,517.15
from the HCP's during FY2003, but only paid \$10,925.48 of that money
to Verizon/MCI.

HNM Account Activity for Verizon Services in FY2004

(\$20,550.74)	Verizon Charged for HNM Business Accounts
(\$593,327.76)	Verizon Charged for HCP Service
\$143,500.00	Payments on the Account
\$121,407.34	Verizon Issued Credits
\$485,895.70	USAC Funding as applied by Verizon on account
\$136,924.54	Balance of account at end of funding year 2005

HNM Charges to HCP for Services provided in FY2004

\$136,986.50	HNM Charged to HCP for FY2004
(\$116,435.76)	Amount HNM Paid Verizon (=\$143,500.00 (Payments on Account) less \$20,550.74 (Verizon Charged for HNM Business Accounts))
\$20,550.74	Balance

Analysis

After all USAC funding applied is a credit on the account of \$136,924.54, which almost exactly reflects the Verizon Issued Credits for this period.

Additionally, review of documents shows that HNM collected \$136,986.50 from the HCP's during FY2004, but only paid \$116,435.76 of that money to Verizon/MCI.

HNM Account Activity for Verizon Services in FY2005

(\$24,592.94) Verizon Charged for HNM Business Accounts
(\$824,250.04) Verizon Charged for HCP Service
\$139,000.00 Payments on the Account
\$43,067.02 Verizon Issued Credits
\$679,588.69 USAC Funding as applied by Verizon on account

\$12,812.73 Balance of account at end of funding year 2005

HNM Charges to HCP for Services provided in FY2005

\$186,070.00 HNM Charged to HCP for FY2005
(\$114,407.06) Amount HNM Paid Verizon (=\$139,000.00 (payments on account) less
\$24,592.94 (Verizon Charged for HNM Business Accounts))

\$71,662.94 Balance

Analysis After all USAC funding applied is a credit on the account
of \$12,812.73

Additionally, review of documents shows that HNM collected \$186,070.00
from the HCP's during FY2005, but only paid \$114,407.06 of that money
to Verizon/MCI

HNM Account Activity for Verizon Services in FY2006

(\$12,097.84) Verizon Charged for HNM Business Accounts
(\$321,585.83) Verizon Charged for HCP Service
\$678.37 Payments on the Account
\$1,768.07 Verizon Issued Credits
\$222,160.53 USAC Funding

(\$109,076.70) Balance of account at end of funding year 2006

HNM Charges to HCP for Services provided in FY2006

\$76,704.95 HNM Charged to HCP for FY2006
\$0.00 Amount HNM Paid Verizon (because the payment of \$678.37 is less
than what was owed for Verizon Charged for HNM Business
Accounts, we show this as \$0.00)

\$76,704.95 Balance

Analysis Accounting after all USAC funding applied is that an additional \$109,076.70 remains due on the account.

Additionally, review of documents shows that HNM collected \$76,704.95 from the HCP's during FY2006, but paid \$0.00 of that money to Verizon/MCI

Because USAC Funding was applied for from July 1, 2006 through October 31, 2006 USAC restricted its review of the Verizon/MCI account to all charges, credits and funding applied to the account for this time frame only.

HNM Account Activity for Verizon Services in FY2003

(\$229,110.89)	Verizon Charged for HCP Service
\$59,912.77	Payments on the Account
\$14,164.01	Verizon Issued Credits
\$152,062.02	USAC Funding as applied by Verizon on account
<hr/>	
(\$2,972.09)	Balance due on account at end of funding year 2003

HNM Charges to HCP for Services provided in FY2003

\$19,517.15	HNM Charged to HCP for FY2003
(\$59,912.77)	Amount HNM Paid Verizon
<hr/>	
(\$40,395.62)	Balance

Analysis

After all USAC funding is applied, an additional \$2,972.09 remains due to Verizon.

Additionally, the analysis shows that HNM paid (from HNM funds) Verizon \$40,395.62 on behalf of the HCPs.

HNM Account Activity for Verizon Services in FY2004

(\$593,327.76)	Verizon Charged for HCP Service
\$143,500.00	Payments on the Account
\$121,407.34	Verizon Issued Credits
\$485,895.70	USAC Funding as applied by Verizon on account
\$157,475.28	Balance of account at end of funding year 2005

HNM Charges to HCP for Services provided in FY2004

\$136,986.50	HNM Charged to HCP for FY2004
(\$143,500.00)	Amount HNM Paid Verizon
(\$6,513.50)	Balance

Analysis

After all USAC funding is applied, there is a credit on the account of \$157,475.28.

Additionally, the analysis shows that HNM paid (from HNM funds) Verizon \$6,513.50 on behalf of the HCPs.

HNM Account Activity for Verizon Services in FY2005

(\$824,250.04)	Verizon Charged for HCP Service
\$139,000.00	Payments on the Account
\$43,067.02	Verizon Issued Credits
\$679,588.69	USAC Funding as applied by Verizon on account
\$37,405.67	Balance of account at end of funding year 2005

HNM Charges to HCP for Services provided in FY2005

\$186,070.00	HNM Charged to HCP for FY2005
(\$139,000.00)	Amount HNM Paid Verizon
\$47,070.00	Balance

Analysis

After all USAC funding is applied, there is a credit on the account of \$37,405.67.

Additionally, the analysis shows that HNM did not pay to Verizon \$47,070.00 of funds collected from the HCPs. This repaid the HNM funds that were paid to Verizon in FY2003 and FY2004.

HNM Account Activity for Verizon Services in FY2006

(\$321,585.83)	Verizon Charged for HCP Service
\$678.37	Payments on the Account
\$1,768.07	Verizon Issued Credits
\$222,160.53	USAC Funding
<hr/>	
(\$96,978.86)	Balance of account at end of funding year 2006

HNM Charges to HCP for Services provied in FY2006

\$76,704.95	HNM Charged to HCP for FY2006
(\$678.37)	Amount HNM Paid Verizon
<hr/>	
\$76,704.95	Balance

Analysis

After all USAC funding is applied, an additional \$96,978.86 remains due on the Verizon account.

This partial Funding Year has not been balanced out, because the USF Qwest funding requests have not been approved. When the year is complete it will balance out like the previous funding years.

Attachment G

Community Hospital Foundation of Texas support of HNM appeal with attached
hospital letters

DAVIS & WILKERSON, P.C.

Joyce B. McLaughlin
Board Certified, Health Law
Texas Board of Legal Specialization
jmclaughlin@dwlaw.com

April 1, 2008

Via Electronic and Certified Mail/RRR

Rural Health Care Committee
Of the Board of Directors
Universal Service Administrative Company
2000 L Street, NW, Suite 200
Washington, DC 20036

Re: Randall Zunke and Hospital Network Management, Inc.; In support of Request for Review of the Administrator's Decision of February 1, 2008 (Denying FY 2001 - 2005 Funding).

To the Committee:

This firm represents Community Hospital Foundation of Texas, a Texas non-profit corporation which is tax-exempt under IRS Section 501(c)(3) ("CHFTX"). The member hospitals of CHFTX were, prior to the incorporation as a non-profit organization, members of a Texas unincorporated non-profit association known as the Texas Rural Hospital Telecommunications Alliance ("TRHTA" or the "Alliance"). CHFTX is a party affected by the above-referenced decision under 47 C.F.R. § 54.719; its member hospitals received various services associated with telecommunications from Healthcare Network Management, Inc. ("HNM"). The USAC decision to rescind previously committed funding for telecommunications services to HNM appears to rest on the conclusion that Mr. Zunke acted as both a service provider and a contact person for various funding assistance contracts provided by USAC.

This response is in support of the appeal filed by Mr. Zunke and HNM, and is intended to serve as clarification that CHFTX did not perceive nor consider HNM or Mr. Zunke to be a telecommunications "service provider" as defined by the USAC glossary and as determined by USAC in the Decision of February 1, 2008. To the extent that Mr. Zunke used the name "Texas Health Network" or "THN," CHFTX did not consider nor perceive THN to be a telecommunications service provider. The USAC glossary defines a "service provider" to be a telecommunications carrier or internet service provider providing the supported service to an

Send Address:
Dallas, TX 75201
Phone:
Austin, Texas 78701

Mail Address:
Dallas, TX 75201
Austin, Texas 78701

Fax:
Dallas, TX 75201
Austin, Texas 78701

eligible health care provider. The service provider for the telecommunication or internet services provided to CHFTX member hospitals was known and understood to be MCI or Qwest.

HNM and Mr. Zunke functioned as a consultant to CHFTX and a provider of services related to the information technology systems of CHFTX member hospitals, including network management services such as network development and contract management, and network operations such as helpdesk, data center operation, equipment maintenance, website maintenance, and e-mail security. At no time did CHFTX consider HNM to be the actual provider of internet services.

Attached to this letter are letters from three hospitals who used the services of HNM, stating their individual understanding of the role of HNM and Mr. Zunke relative to the services provided to that hospital.

Rescinding the funding for telecommunications services based on an erroneous conclusion can only have a very damaging effect on the rural hospitals which this program was intended to assist and impair their ability in the future to acquire such services.

CHFTX respectfully requests that the USAC decision of February 1, 2008 be vacated and that funding for the periods in question be restored to help the hospitals and patients of rural Texas whose care is ultimately negatively impacted by this decision.

Respectfully submitted,

DAVIS & WILKERSON, P.C.

Kevin A. Reed
Joyce B. McLaughlin

*Counsel for Community Hospital Foundation of
Texas (CHFTX)*
1801 South MoPac Expressway, Suite 300
Austin, TX 78746
(512) 482-0614
kreed@dwlaw.com
jmclaughlin@dwlaw.com

By: Joyce B. McLaughlin
Joyce B. McLaughlin



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Chief Support Services Officer

Keith Kulae, RHIA
Chief Diagnostic Services Officer

Mariene Irvin, RN
Chief Nursing Officer

April 1, 2008

Re: Support Letter for the Appeal of USAC

Dear Sirs:

The Lavaca Medical Center is a rural, 25 bed Critical Access Hospital located in Hallettsville, Texas. The Lavaca Medical Center is a participant as an Alliance member.

This letter is in response to the USAC decisions to rescind the USF funding to the rural hospitals in the Alliance Network. There was never a question, and it has always been our understanding that HNM (Hospital Network Management), through Mr. Zunke, was serving as a contractor, IT consultant and administrator of the Alliance Network, and that HNM was never a telecom provider or carrier in the same sense as MCI, Qwest or AT&T. In fact, that it was clear that MCI or Qwest had always been the telecom provider, and not HNM.

As a member hospital of this network, HNM provides IT support and management of the network to install servers, provide maintenance support, and IT help desk, and that there was no misrepresentation of his role or services to the Alliance hospitals.

Sincerely yours,


James E. Vanek
Chief Executive Officer

JV/ms

LAVACA MEDICAL CENTER
Your Hospital for Today and in the Future
Founded in 1977

1400 North Texana Street, Hallettsville, Texas 77964-2021 • Phone: (361) 798-3671



April 1, 2008

To Whom It May Concern:

This letter is in response to the USAC decision to rescind the UFF funding to the Hospital Network Management.

It appears that the USAC feels that we, as customers of the Alliance Network, were confused as to the status of Mr. Randy Zunke and his company. It also appears from the documents that USAC feels that we, as customers, thought that Mr. Zunke and his company was a telecom provider in the same sense as MCI, Quest, or AT&T.

There was never a question on our part and it has always been our understanding that Hospital Network Management and Mr. Zunke, were serving as a contractor, IT Consultant and Administrator of the Alliance Network. At no time did we ever think that Hospital Network Management or Mr. Zunke were a telecom provider or carrier. It has always been clear to us that MCI or Quest had always been the telecom provider and not Hospital Network Management.

As a member hospital of the network, we always knew and transpired business with Hospital Network Management for IT support, management of the network, maintenance support and IT help desk. There was never any misrepresentation of his role or service to the member hospitals.

If you have any questions, please feel free to contact me at 979-578-5251.

Thank you.

Sincerely,

Steven Gularte
Chief Executive Officer

SG:ir

EL CAMPO MEMORIAL HOSPITAL

303 Sandy Corner Road ■ El Campo, Texas 77437
979-543-6251 ■ fax: 979-543-8420 ■ www.ecmh.org



MUENSTER MEMORIAL HOSPITAL

April 1, 2008

Rural Health Committee of the Board of Directors
Universal Service Administrative Company
2000 L Street NW, Suite 200
Washington, D.C. 20036

To Whom It May Concern:

My letter is in direct response to the recent decision by the USAC to rescind the USF funding to the rural hospitals that participate in the Alliance Network based in Austin, Texas. Rural hospitals located all over Texas have participated with the Alliance in an effort to access high speed communication technology. This ability has greatly enhanced our quality of patient care due to many different factors. One of these factors is the ability to now tap into Radiologists who are located off site. The ability to obtain a CT reading quickly has frankly increased our quality of care. There are many other opportunities with high speed T-1 lines that we can ultimately use to, again, improve our patient care. It was and continues to be my understanding that increased quality for our patients is our fundamental mission.

It is my understanding that the action taken by the USAC is now being appealed.

Please consider the following points in support of the appeal:

1. The goal of providing rural health care providers with high speed communication ability was being met
2. Mr. Randy Zunke, of the HNM(Hospital Network Management) group served as our contractor for taking care of the applications, management of the network, and our conduit to the telecom providers.
3. Mr. Zunke's and his expert staff, also served as IT consultants for our hospitals.
4. Neither Mr. Zunke, his staff, or his company never purported themselves to be the telecom provider. Those functions were provided by Quest for our hospital. It is my understanding that other hospitals used AT&T, MCI or another telecom provider.
5. In this very complicated IT world, we have to have someone working on our behalf to coordinate these activities. Most rural hospitals cannot afford to have a full time IT staff. Mr. Zunke and his company were filling that role.

Please consider these points when making your decision. Also, please consider that an unfavorable finding may result in rural hospitals taking a step back instead of a step forward in our goal to increase the access and the quality of the care we provide our rural citizens.

Sincerely,

Lynn Heller
Administrator/CEO

Attachment H

Rural Health Care Program Form 465 with instructions

Schools and Library program Form 470 first page of instructions

Health Care Providers Universal Service
Description of Services Requested & Certification Form

Estimated time per response: 1 hour

Read instructions thoroughly before completing this form. Failure to comply may cause delayed or denied funding.

Form 465 Application Number (assigned by RHCD)

Block 1: HCP Location Information

Information required in this block applies to the physical location of the HCP. Do not enter a "PO Box" or "Rural Route" address.

1 HCP Number	2 Consortium Name	
3 HCP Name	4 HCP FCC Registration Number (FCC RN)	
5 Contact Name		
6 Address Line 1		
7 Address Line 2	8 County	
9 City	10 State	11 ZIP Code
12 Phone #	13 Fax #	14 E-mail

Block 2: HCP Mailing Contact Information

15 Is the HCP's mailing address (where correspondence should be sent) different from its physical location described in Block 1?		<input type="checkbox"/> Yes, complete Block 2
		<input type="checkbox"/> No, go to Block 3.
16 Contact Name	17 Organization	
18 Address Line 1		
19 Address Line 2		
20 City	21 State	22 ZIP Code
23 Phone #	24 Fax #	25 E-mail

Block 3: Funding Year Information

26 Funding Year (Check only one box)		
<input type="checkbox"/> Year 2007 (7/1/2007-6/30/2008)	<input checked="" type="checkbox"/> Year 2008 (7/1/2008-6/30/2009)	<input type="checkbox"/> Year 2009 (7/1/2009-6/30/2010)

Block 4: Eligibility

27 Only the following types of HCPs are eligible. Indicate which category describes the applicant. (Check only one.)	
<input type="checkbox"/> Post-secondary educational institution offering health care instruction, teaching hospital or medical school	<input type="checkbox"/> Rural health clinic
<input type="checkbox"/> Community health center or health center providing health care to migrants	<input type="checkbox"/> Consortium of the above
<input type="checkbox"/> Local health department or agency	<input type="checkbox"/> Dedicated ER of rural, for-profit hospital
<input type="checkbox"/> Community mental health center	<input type="checkbox"/> Part-time eligible entity
<input type="checkbox"/> Not-for-profit hospital	

28 If consortium, dedicated emergency department, or part-time eligible entity was selected in Line 27, please describe the entity.

29 Please describe the eligible health care provider's telecommunications and/or Internet service needs, so that service providers may bid to provide the services. The description should describe whether video or store and forward consultations will be used, whether large image files or X-rays will be transmitted, the quality of connection needed, or other relevant considerations.

Block 5: Request for Services

30 Is the HCP requesting reduced rates for:		
<input type="checkbox"/> Both Telecommunications & Internet Services	<input type="checkbox"/> Telecommunications Service ONLY	<input type="checkbox"/> Internet Service ONLY

Block 6: Certification

31 <input type="checkbox"/> I certify that I am authorized to submit this request on behalf of the above-named entity or entities, that I have examined this request, and that to the best of my knowledge, information, and belief, all statements of fact contained herein are true.	
32 <input type="checkbox"/> I certify that the health care provider has followed any applicable State or local procurement rules.	
33 <input type="checkbox"/> I certify that the telecommunications services and/or Internet access charges that the HCP receives at reduced rates as a result of the HCPs' participation in this program, pursuant to 47 U.S.C. Sec. 254 as implemented by the Federal Communications Commission, will be used solely for purposes reasonably related to the provision of health care service or instruction that the HCP is legally authorized to provide under the law of the state in which the services are provided and will not be sold, resold, or transferred in consideration for money or any other thing of value.	
34 <input type="checkbox"/> I certify that the health care provider is a non-profit or public entity.	
35 <input type="checkbox"/> I certify that the health care provider is located in a rural area. Visit the RHCD website: (http://www.usac.org/rhc/tools/rhcd/Rural/2005/search.asp) or contact RHCD at 1-800-229-5476 for a listing of rural areas.	
36 <input type="checkbox"/> Pursuant to 47 C.F.R. Secs. 54.601 and 54.603, I certify that the HCP or consortium that I am representing satisfies all of the requirements herein and will abide by all of the relevant requirements, including all applicable FCC rules, with respect to funding provided under 47 U.S.C. Sec. 254.	
37 Signature	38 Date
39 Printed name of authorized person	40 Title or position of authorized person
41 Employer of authorized person	42 Employer's FCC RN

Please remember:

- ♦ Form 465 is the **first** step a health care provider must take in order to receive the benefit of reduced rates resulting from participation in this universal service support program.
- ♦ After the HCP submits a complete and accurate Form 465, the RHCD will post it on the RHCD web site for 28 days.
- ♦ HCPs may not enter into agreements to purchase eligible services from service providers before the **28 days expire**.
- ♦ After the HCP selects a service provider, the HCP must initiate the **next** step in the application process, the filing of Form 466 and/or 466A.

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT

Part 3 of the Commission's Rules authorize the FCC to request the information on this form. The purpose of the information is to determine your eligibility for certification as a health care provider. The information will be used by the Universal Service Administrative Company and/or the staff of the Federal Communications Commission, to evaluate this form, to provide information for enforcement and rulemaking proceedings and to maintain a current inventory of applicants, health care providers, billed entities, and service providers. No authorization can be granted unless all information requested is provided. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available for public inspection. Your response is required to obtain the requested authorization.

The public reporting for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PER, Paperwork Reduction Act Project (3060-0804), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to pra@fcc.gov. PLEASE DO NOT SEND YOUR RESPONSE TO THIS ADDRESS.

Remember - You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0804.

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, PUBLIC LAW 93-579, DECEMBER 31, 1974, 5 U.S.C. 552a(e)(3) AND THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

This form should be submitted to:

Rural Health Care Division
100 S. Jefferson Rd.
Whippany, NJ 07981

Form 465 Instructions

Rural Health Care Universal Service Mechanism¹

PURPOSE OF FORM

FCC Form 465 is the **first step** a health care provider (HCP) must take in order to benefit from the universal service support mechanism. Universal service support allows eligible health care providers to purchase certain services at reduced rates. Form 465 is the means by which a health care provider:

1. Requests bids for the provision of telecommunications or Internet services from service providers.
2. Certifies to the Rural Health Care Division of the Universal Service Administrative Company, which serves as the administrator, that the health care provider is eligible to benefit from the universal service support mechanism.

Health care providers who have previously posted a Form 465 can register for electronic certification. Electronic certification allows the health care provider to electronically sign the new Form 465 so it can be immediately posted on the RHCD website, www.usac.org/rhc/.

After the health care provider submits a Form 465, the Rural Health Care Division (RHCD) will post the completed Form 465 on its website. The posted Form 465 provides information about the HCP and its need for services to service providers that might wish to bid to provide the services.

Each health care provider's Form 465 must be posted on the RHCD website for at least 28 days prior to selecting a service provider, to fulfill the program's competitive bidding requirement.

Rural health care providers may enter into agreements to purchase services after 28 days have elapsed since the descriptions set forth in Form 465 were posted on the RHCD website. Entering into any agreement during the 28-day posting period is prohibited.

RHCD will send each applicant a "Receipt Acknowledgement Letter" confirming that its Form 465 is posted on the website. The confirmation of posting sent by RHCD will indicate the date on which the health care provider may enter into an agreement to purchase services from a service provider. This date is known as the Allowable Contract Selection Date (ACSD).

The health care provider must certify to RHCD that the service chosen is, to the best of the health care provider's knowledge, the most cost-effective service. "The most cost-effective service" is defined in the Universal Service Order² as the service available "at the lowest cost, after consideration of the features, quality of transmission, reliability, and other factors that the health care provider deems relevant to choosing an adequate method of providing the required health care services." This requirement is reiterated for Internet service in the Rural Health Care Order.³

¹ Rural Health Care Pilot Program Participants should consult the *2007 Rural Health Care Pilot Program Selection Order*, WC Docket No. 02-60, Order, 22 FCC Rcd 20,360 (2007) (*2007 RHC PP Selection Order*), available at <http://www.fcc.gov/cgb/rural/rhcp.html>, concerning form completion and related program requirements. Additional information concerning the Rural Health Care Pilot Program is available on the Universal Service Administrative Company's (USAC) website at <http://www.universalservice.org/rhc-pilot-program/default.aspx> and on the Federal Communications Commission's website at <http://www.fcc.gov/cgb/rural/rhcp.html>.

² *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9134 (1997) (Universal Service Order) (subsequent history omitted)

³ *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking, 18 FCC Rcd 24546 (2003) (*2003 Report and Order and FNPRM*).

After the HCP enters into a service agreement, it must initiate the next step in the application process, the filing of an FCC Form 466 (Funding Request and Certification Form) and/or 466-A (Internet Service Funding Request and Certification Form and Advanced Services Funding Request and Certification for Entirely Rural States).

FILING REQUIREMENTS AND GENERAL INSTRUCTIONS

Who is Eligible

An HCP must meet two criteria in order to benefit from the universal service support mechanism.

First, it must be a public or non-profit health care provider that falls within one of the following categories:

- Post-secondary educational institution offering health care instruction (including teaching hospitals and medical schools);
- Community health center or health center providing health care to migrants;
- Local health department or agency;
- Community mental health center;
- Not-for-profit hospital;
- Rural health clinic;
- Consortium of health care providers consisting of one or more of the above entities;
- Dedicated emergency department of for-profit hospitals, including Critical Access Hospitals;
- Part-time eligible entity.

Health care providers that do not fall into one of these categories are not eligible to benefit from the universal service support mechanism.

Second, a health care provider must be located in a rural area to qualify for support. An HCP can determine if it is in an area that meets the Federal Communication Commission's definition of "rural" by consulting the RHCD website at www.usac.org/rhc/tools/rhcd/Rural/2005/search.asp, or by calling the Rural Health Care Division at 1-800-229-5476 for assistance. HCPs that meet both the eligible category and rural criteria are considered "eligible health care providers". (There is a limited exception to the rural requirement for urban HCPs that must pay toll charges to reach the Internet. Such urban HCPs may receive the lesser of \$180 or 30 hours for toll charges to reach the Internet. This is the only exception to the requirement that an HCP must be rural to benefit from the universal service support mechanism.)

Filing Exception - The filing of a Form 465 may not be required if the HCP is receiving services under a currently valid contract executed pursuant to a Form 465 posted in a prior program year, or if services are received under a contract signed on or before July 10, 1997. A renewed contract or a contract with an automatic renewal provision is considered a new contract on the renewal date, and an expired contract is not considered a currently valid contract. Questions about the status of an HCP's contract may be directed to RHCD at 1-800-229-5476. **Applicants who are not required to file a Form 465 must still file a Form 466 and/or 466-A for each program year to receive support for the contracted services.**

Where to File

The FCC Form 465 must be filed with the Rural Health Care Division at:

Rural Health Care Division
100 South Jefferson Road
Whippany NJ 07981

The health care provider may also file this form electronically. Instructions on how to file electronically are posted on the RHCD website at www.usac.org/rhc/. **DO NOT FILE THIS OR ANY OTHER UNIVERSAL SERVICE FORM WITH THE FEDERAL COMMUNICATIONS COMMISSION.**

Compliance

Anyone filing false information may be subject to penalties for false statements, including fine or forfeiture, under the Communications Act, 47 U.S.C. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. 1001.

Where to Get More Information

Call the Rural Health Care Division at 1-800-229-5476 for more information on how to complete this or other universal service forms. Information is also available on the RHCD website at www.usac.org/rhc/.

SPECIFIC INSTRUCTIONS FOR FILING FORM 465

Type or print clearly in spaces provided. Attach additional sheets if necessary. Applicants are also encouraged to complete this form electronically to speed up the processing of applications. RHCD will post all applications on the RHCD website at www.usac.org/rhc/. Instructions on how to file electronically are posted on the website.

Form 465 Application Number

The RHCD will insert the Form 465 Application Number (known in prior years as the "Universal Service Control Number"). **Leave this line blank.**

Block 1: HCP Location Information

The information required in this block applies to the physical location of the HCP. Do not enter a "PO Box" or "Rural Route" address.

Line 1 requires providing an HCP number. The HCP number is a unique identifier given by RHCD to each health care provider applying for benefits from the Universal Service Rural Health Care Support Mechanism. If an HCP previously applied, RHCD has already assigned a number, which must be used here. If it is unknown whether the HCP has already been assigned a number, call the Rural Health Care Division at 1-800-229-5476. If the HCP is a new applicant, leave this line blank. RHCD will assign an HCP number to each new eligible applicant upon receipt of the Form 465.

Line 2 requires identifying the name of the consortium to which the HCP belongs, if any. (If the HCP does not belong to a consortium, leave Line 2 blank.)

Line 3 requires providing the health care provider's organization name. This name must be used consistently on all universal service forms (i.e., Form 465, Form 466, Form 466-A, & Form 467).

Line 4 requires providing the HCP's FCC Registration Number (FCC RN). All participants in the Rural Health Care Program must have an FCC RN in order to participate. Information on how to get an FCC RN is available on the FCC website at www.fcc.gov.

Line 5 requires providing the name of a contact person at the health care provider's location.

Lines 6-14 require providing the HCP contact person's address, county in which the HCP is located, city, state, zip code, phone, fax, and E-mail address.

Block 2: HCP Mailing Contact Information

Line 15 requires indicating whether or not the HCP's mailing address is different from the address in Block 1. If "No" is checked, skip the remainder of Block 2 and proceed to Block 3. The person listed in Block 2 will serve as RHCD's primary contact with the HCP. This person should be able to answer questions or verify information submitted on this form, in the event that RHCD needs to contact the HCP during the application process.

Line 16 requires identifying the name of the person to receive mail regarding the Form 465.

Line 17 requires providing the mailing contact person's organization (which might be the same as the HCP or consortium name).

Lines 18-25 require providing the address, city, state, zip code, phone, fax, and E-mail address of the mailing contact.

Block 3: Funding Year Information

Line 26 requires identifying the funding year for which the HCP is applying. The applicant should check only one box.

Block 4: Eligibility

Line 27 requires checking the box indicating the eligibility category of the HCP. Only public or non-profit health care providers located in rural areas that fall into one of the categories listed in Line 27 are eligible to benefit from this universal service support mechanism. Rural or-profit hospital emergency departments may also qualify as "public" by virtue of their requirement to examine or treat patients pursuant to the Emergency Medical Treatment and Labor Act (EMTALA).

Note that applicants that apply as a consortium of health care providers may only receive support for services provided to the physical location given in Block 1, meaning that unless the "above entities" are at that address, they cannot receive support. Rather, a separate Form 465 should be filed for each eligible entity in the consortium, using that entity's address, so it can be verified as rural and its Maximum Allowable Distance can be determined. Applicants selecting the consortium category must complete Line 28, and may call RHCD at 800-229-5476 for further explanation of their eligibility.

The categories of "Dedicated emergency department of rural for-profit hospitals including Critical Access Hospitals" and "Part-time eligible entity" were defined in the Rural Health Care Order, and are further discussed under "Eligibility and Support Percentage for For-Profit Hospital Emergency Department or Part-Time Rural Health Clinic" on the RHCD website at www.usac.org/rhc/. Applicants that select these categories should review the website material to determine if they qualify, and to recognize that they may only be eligible for partial support of their selected service. Applicants selecting these categories must complete Line 28, and may call RHCD at 800-229-5476 for further questions about eligibility.

Line 28 must be completed if "Consortium of the above", "Dedicated emergency department of rural for-profit hospitals including Critical Access Hospitals", or "Part-time eligible entity" was selected in Line 27. A description of the entity and the services it provides is required.

Line 29 requires a description of how the health care provider will use the supported service. This description will allow service providers to learn what the health care provider wants to do, so they can propose services to meet the health care provider's needs. Some examples are transmission of data and medical images or X-rays; provider-to-provider consultation between health care professionals in a rural facility and professionals in other locations, provider-to-patient consultation, examination, or counseling; medical research, access to the health care provider's website, offsite storage of medical records, or other uses.

Block 5: Request for Services

Line 30 requires indicating whether the HCP is requesting support for a telecommunications service, Internet service, or both. A Form 465 must be posted for the type of service (telecommunications or Internet) for which support will be sought, e.g., a Form 465 posted for telecommunications service only would not be eligible to request support for Internet service. **If additional guidance on eligible services is needed, please contact RHCD at 1-800-229-5476.**

Block 6: Certification

Line 31 requires the person signing on behalf of the HCP to certify that he or she is authorized to submit the information contained in the Form 465 on behalf of the entity or entities (if a consortium) applying for

discounted services, and that the information contained in the Form 465 is true to the best of his or her knowledge, information and belief. *Under federal law, persons willfully making false statements on this form can be punished by fine, forfeiture, or imprisonment.*

Line 32 requires the authorized representative of the HCP to certify that any applicable state or local procurement rules have been followed.

Line 33 requires the authorized representative to certify that the services for which the health care provider receives a discount will not be used for unauthorized purposes. Specifically, the representative must certify that such services will be used solely for purposes reasonably related to the provision of health care or instruction that the health care provider is legally authorized to provide under the law of the state in which the services are provided. The representative must also certify that the discounted services that the HCP receives will not be sold, resold, or transferred in consideration for money or any other thing of value.

Line 34 requires certifying that the HCP is a non-profit or public entity, or that the service will be used exclusively in the emergency department of a rural for-profit hospital.

Line 35 requires identifying whether or not the HCP is located in an eligible rural area or if the HCP is a mobile rural health clinic, that it will operate in eligible rural areas. Visit the RHCD website www.usac.org/rhc/tools/rhcd/Rural/2005/search.asp or contact RHCD at 1-800-229-5476 for a list of rural areas.

Line 36 requires the authorized representative to certify that the HCP satisfies each of the specific requirements set forth in the Form 465 and that the HCP will abide by the relevant requirements of 47 U.S.C. § 254.

Line 37 requires the signature of the authorized representative certifying the information contained in Form 465 on behalf of the applicant.

Line 38 requires the date the Form 465 was signed.

Line 39 requires the printed name of the authorized representative certifying the information contained in Form 465 on behalf of the applicant.

Line 40 requires the title or position of the authorized representative certifying the information contained in Form 465 on behalf of the applicant.

Line 41 requires the name of the employer of the person signing the Form 465.

Line 42 requires the FCC RN of the employer of the person signing the Form 465.

REMINDERS

- Health care providers seeking to benefit from universal service support must file an FCC Form 465.
- The representative authorized to provide the information required by FCC Form 465 on behalf of a health care provider must sign and date FCC Form 465.
- Provide data for all items that apply. Attach additional sheets if necessary. Any attachments to FCC Form 465 must be clearly labeled.

FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT

Part 3 of the Commission's Rules authorize the FCC to request the information on this form. The purpose of the information is to determine your eligibility for certification as a health care provider. The information will be used by the Universal Service Administrative Company and/or the staff of the Federal Communications Commission, to evaluate this form, to provide information for enforcement and rulemaking proceedings and to maintain a current inventory of applicants, health care providers, billed entities, and service providers. No authorization can be granted unless all information requested is provided. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available for public inspection. Your response is required to obtain the requested authorization.

The public reporting for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PERF, Paperwork Reduction Act Project (3060-0804), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to pra@fcc.gov. PLEASE DO NOT SEND YOUR RESPONSE TO THIS ADDRESS.

Remember - You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0804.

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, PUBLIC LAW 93-579, DECEMBER 31, 1974, 5 U.S.C. 552a(e)(3) AND THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

**Schools and Libraries Universal Service
Description of Services Requested and Certification Form**

Estimated Average Burden Hours Per Response: 4 hours

**Instructions for Completing the
Schools and Libraries Universal Service
Description of Services Requested and Certification Form (FCC Form 470)**

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- Although it is not required, we encourage you to file your Form 470 online. This speeds the processing of your form, reduces errors, and avoids rejection due to failure to meet Minimum Processing Standards.
- Do you qualify for E-certification? (See "For Applicants Filing This Form Online" below.) If you do, you may obtain a User ID and a PIN and certify your Form 470 online as well.
- Review the "MINIMUM PROCESSING STANDARDS AND FILING REQUIREMENTS" for Manual Filers, if you are filing on paper.
- The purpose of the FCC Form 470 is to open a competitive bidding process for the services desired.
- An applicant cannot seek discounts for services in a category of service on the Form 471 if those services in those categories were not indicated on a Form 470.
- The Form 470 MUST be completed by the entity that will negotiate with potential service providers.
- The Form 470 cannot be completed by a service provider who will participate in the competitive process as a bidder. If a service provider is involved in preparing the Form 470 and that service provider appears on the associated Form 471, this will taint the competitive process and lead to denial of funding requests that rely on that Form 470.
- The Form 470 applicant is responsible for ensuring an open, fair competitive process and selecting the most cost-effective provider of the desired services, with price as the most heavily weighted factor in the evaluation.
- Required documents MUST be retained for a period of at least five years after the last day of service delivered. You may be audited pursuant to participation in the schools and libraries program.